STATE OF NEW JERSEY

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1983

THOMAS H. KEAN, GOVERNOR

STATE OF NEW JERSEY

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1983

Prepared by

DEPARTMENT OF THE TREASURY
KENNETH R. BIEDERMAN, TREASURER

DIVISION OF BUDGET AND ACCOUNTING
RICHARD B. STANDIFORD, COMPTROLLER

STATE OF NEW JERSEY
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1983
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INTRODUCTION

State of New Jersey
DEPARTMENT OF THE TREASURY
CN 211
STATE HOUSE
TRENTON, NEW JERSEY 08625

December 28, 1983

Governor Thomas H. Kean
Members of the Legislature
Citizens of New Jersey

In accordance with the provisions of N.J.S.A. 52: 27B-46, we are pleased to transmit to you the comprehensive Annual Financial Report of the State of New Jersey for the year ended June 30, 1983, depicting the financial condition of the State and the results of operations for the year.

We are continuing in our efforts to move toward conformity with the stringent standards established by the National Council on Government Accounting and the Municipal Finance Officers Association. Among the enhancements included in our financial reporting practices are increased use of recommended terminology and statement formatting, expanded financial disclosure, and a more comprehensive statistical and economic data section. We believe that we have made significant progress in financial reporting in the last three years. While other reporting areas remain which require our further attention, we are confident that the financial controls presently in place have enabled New Jersey to maintain its high standing in the financial community.

Financial Reporting

The accompanying financial statements of the State of New Jersey are prepared on a modified accrual basis in accordance with generally accepted accounting principles. The financial statements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Project Funds, and the General Long Term Obligations Account Group, have been audited by the Division of State Auditing, Office of Legislative Services. Their examination was conducted in accordance with generally accepted auditing standards, and their opinions on each of the above-mentioned funds appear elsewhere herein.

In developing and altering the State's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the State's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Revenue and Expenses

For the year ended June 30, 1983, revenues to support general governmental operations totaled $6.2 billion, an increase of $687.1 million or 12.4% over 1982. Major taxes represented 60% of total general revenues compared to 62% in 1982, and the percentage of total revenues represented by the personal income tax decreased from 23% in 1982 to 22% in 1983.

New Jersey Is An Equal Opportunity Employer

Revenue and Expenses

Source of Revenue ($000)	F.Y. 1983 Amount	Per Cent of Total	Increase (Decrease) From FY 1982 Amount	Increase (Decrease) From FY 1982 Per Cent
Major Taxes	$3,713,860	60%	$255,979	7.4%
Miscellaneous Taxes & Fees	578,264	9	192,890	50.1
Interfund Transfers	392,265	6	69,651	21.6
Personal Income	1,391,557	22	132,518	10.5
Casino Taxes and Fees	165,507	3	36,338	28.1
Other	1,525	--	(265)	(14.8)
	$6,242,978	100%	$687,111	12.4%

For 1983, despite the national economic conditions, the State experienced reasonable growth in revenues. Revenue highlights for 1983 include a $280.4 million or 20.3% increase in sales tax collections over 1982, a $132.5 million or 10.5% increase in personal income tax collections, and a $74.7 million or 33.9% increase in State Lottery collections.

Expenditures for general governmental operations totaled $6.3 billion in 1983, an increase of $521.1 million, or 9.1% over 1982.

Expenditure Category ($000)	F.Y. 1983 Amount	Per Cent of Total	Increase (Decrease) From FY 1982 Amount	Increase (Decrease) From FY 1982 Per Cent
State Aid	$3,504,874	56%	$196,108	5.9%
Direct State Services	2,491,854	39	291,727	13.3
Capital Construction	40,698	1	(20,015)	(33.0)
Debt Service	238,923	4	53,295	28.7
	$6,276,349	100%	$521,115	9.1%

Expenditure highlights for 1983 include $2.0 billion in expenditures to support local elementary and secondary education programs, an increase of $186 million or 10.3% from 1982; $428.0 million expended from the State's share of Medicaid, an increase of $37.2 million or 9.5%; $504.8 million in expenses for the support of the State's Higher Education system, an increase of $29.5 million or 6%; and $116.3 million in expenditures from the Casino Revenue Fund to support senior citizens and disabled residents, a decrease of $14.5 million or 11.1%.

The State ended fiscal year 1983 with an undesignated fund balance (surplus) of $143.5 million for the major governmental funds. Within this total, the undesignated fund balance of the General Fund was $96.2 million, and the Casino Revenue Fund, $47.3 million.

Debt Management

New Jersey continues to receive the highest bond rating (Aaa/AAA) from both Moody's Investor Service and Standard and Poor's Corporation. This reflects New Jersey's long-standing record of sound financial management. The State issued $300 million in general obligation bonds and retired $107.6 million in general obligation bonds in fiscal year 1983. In addition, in fiscal year 1983, the public approved bond referenda for $135 million for the Green Acres Program, $50 million for shore protection, and $135 million for bridge rehabilitation and improvement throughout New Jersey.

At June 30, 1983, the total State general long-term obligation amounted to $2,227 million. On a per capita basis this represents $299 for every resident of the State.

Fixed Assets

While the State owns extensive fixed assets consisting of: (1) land; (2) buildings, which house State offices, hospitals, institutions and educational facilities; and (3) equipment used in construction work, data processing, hospitals and offices, the Annual Financial Report does not reflect these assets in a General Fixed Asset Account Group since it has always been the State's policy to expense fixed assets at the time of purchase. In accordance with generally accepted accounting principles, general fixed assets should now be accounted for within proprietary and non-expendable trust funds, and for governmental funds, within the General Fixed Asset Account Group.

The compilation of historical data and development of appropriate fixed asset records is under way. An inventory of State-owned land and buildings has begun. Since historical costs are not available, particularly for older acquisitions, an acceptable alternative valuation method is under consideration to enable us to comply eventually with fixed asset reporting requirements.

Pension Systems

The State's pension systems continue to be actuarially sound. The accrued benefit liability of the six pension funds at the latest actuarial valuation dates was $7.7 billion, and the book value of all assets was $6.5 billion. This represents an average funding ratio for the systems of 84%.

The Years Ahead

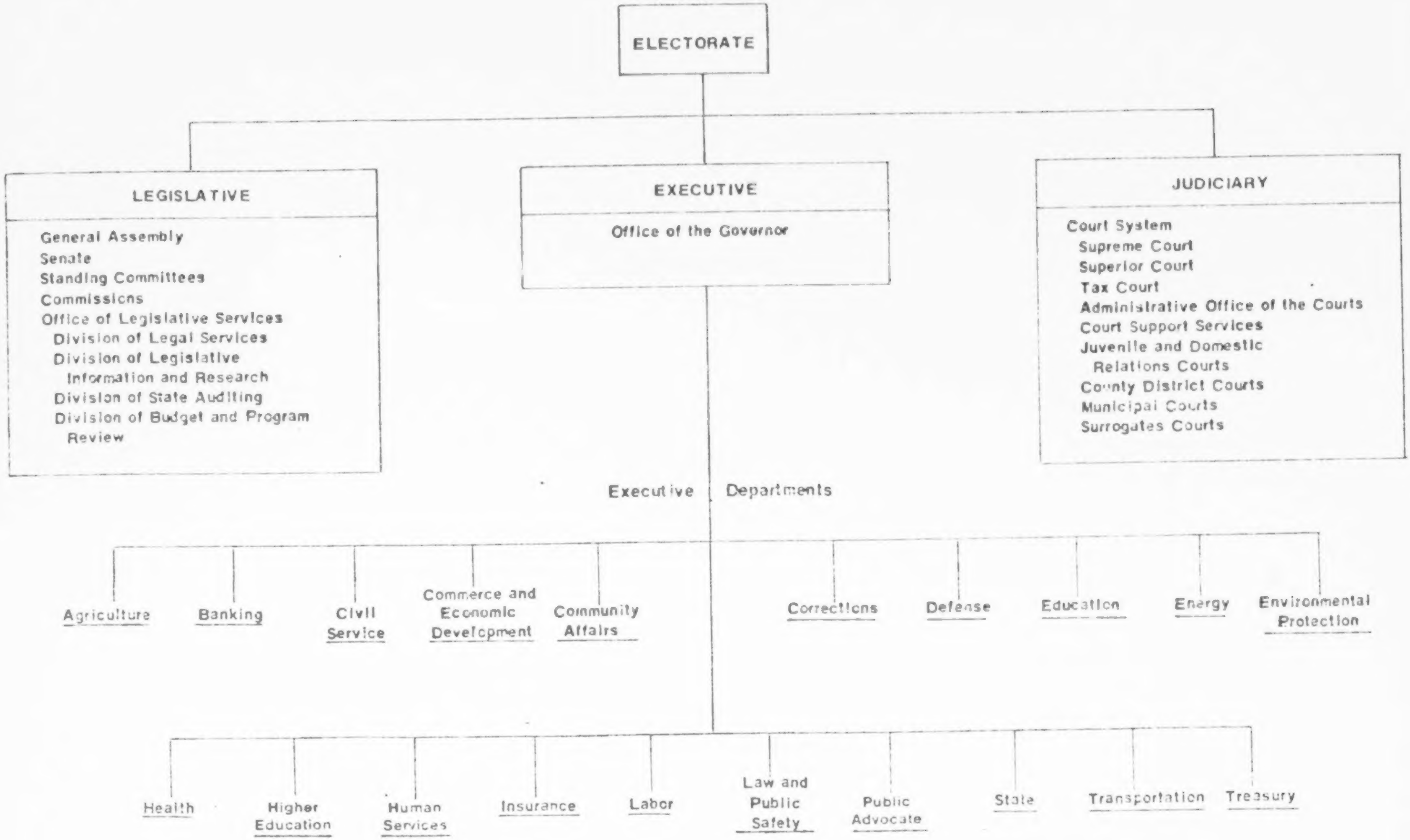
In the near future, sustaining the sound financial condition of New Jersey during this period of economic uncertainty will be among our highest priorities. We will strive toward conformity with the established standards for financial reporting and continue to provide responsible fiscal management to assure necessary government services for the citizens of New Jersey.

Respectfully submitted,

Kenneth R. Biederman
State Treasurer

Richard B. Standiford
State Comptroller

NEW JERSEY STATE GOVERNMENT



FINANCIAL SECTION

The following sections include combined and individual financial statements for the various funds maintained by the State of New Jersey, and supplemental financial schedules of revenues and expenditures for the current fiscal year.

COMBINED STATEMENTS

Combined Statements provide a summary overview of the financial position of all funds and account groups and of the operating results by fund type. They also serve as an introduction to the more detailed statements and schedules that follow.

STATE OF NEW JERSEY
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1983

	General Fund	Special Revenue Funds	Debt Service Fund
ASSETS			
CASH			
Demand accounts	$ 12,466,110	$ 3,574,592	$ --
Cash with fiscal agent	--	--	6,217,064
INVESTMENTS	83,246,583	2,500,000	--
RECEIVABLES			
Taxes	251,794,564	105,159,680	--
Federal government	155,344,830	5,396,851	--
Departmental accounts	139,166,200	14,447,988	--
Loans	807,306	23,798,864	--
Other	43,214,248	19,761,623	--
OTHER ASSETS			
Due from other funds	547,891,991	259,960,836	--
Deferred charges	2,940,000	1,388,440	--
Amount to be provided for:			
Retirement of general obligation bonds	--	--	--
Payment of capital leases	--	--	--
Total Assets	$ 1,236,871,832	$ 435,988,874	$ 6,217,064
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 525,897,088	$ 35,478,145	$ --
Deferred revenue	37,153,971	229,092	--
Due to other funds	49,023,281	146,551,949	--
Other	50,507,131	16,636,932	--
Matured interest payable	--	--	4,645,064
Matured bonds payable	--	--	1,572,000
Deferred compensation payable	--	--	--
General obligation bonds payable	--	--	--
Capital leases payable	--	--	--
Total Liabilities	662,581,471	198,896,118	6,217,064
FUND BALANCES			
Reserved for encumbrances	196,292,467	126,938,074	--
Reserved for non-current resources	9,690,379	17,851,447	--
Unreserved			
Designated for continuing appropriations	272,113,947	308,957,760	--
Undesignated	96,193,568	(216,654,525)	--
Total Fund Balances	574,290,361	237,092,756	--
Total Liabilities and Fund Balances	$ 1,236,871,832	$ 435,988,874	$ 6,217,064

Capital Projects Funds	Trust and Agency Funds	General Long-Term Obligation Account Group	Total (Memorandum Only)
$ 1,268	$ 43,162,497	$ --	$ 59,204,467
--	--	--	6,217,064
--	8,095,337,811	7,014,953	8,188,099,347
--	1,153,834	--	358,108,078
25,228,878	10,723,810	--	196,694,369
--	--	--	153,614,188
--	12,189,542	--	36,795,712
--	125,405,463	--	188,381,334
225,486,264	397,174,220	--	1,430,513,311
--	--	--	4,328,440
--	--	2,226,855,000	2,226,855,000
--	--	476,495,602	476,495,602
$ 250,716,410	$ 8,685,147,177	$ 2,710,365,555	$ 13,325,306,912
$ 32,464,869	$ 513,755,503	$ --	$ 1,107,595,605
--	--	--	37,383,063
6,826,050	1,228,112,031	--	1,430,513,311
--	6,846,817,195	--	6,913,961,258
--	--	--	4,645,064
--	--	--	1,572,000
--	--	7,014,953	7,014,953
--	--	2,226,855,000	2,226,855,000
--	--	476,495,602	476,495,602
39,290,919	8,588,684,729	2,710,365,555	12,206,035,856
128,910,971	2,731,231	--	454,872,743
--	39,682,242	--	67,224,068
364,004,779	9,938,931	--	955,015,417
(281,490,259)	44,110,044	--	(357,841,172)
211,425,491	96,462,448	--	1,119,271,056
$ 250,716,410	$ 8,685,147,177	$ 2,710,365,555	$ 13,325,306,912

STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	General Fund	Special Revenue Funds	Debt Service Fund
REVENUES			
Taxes	$ 4,246,485,550	$ 1,578,681,661	$ --
Federal and other grants	1,730,532,630	7,671,313	--
Licenses and fees	297,570,898	35,047,300	--
Services and assessments	529,732,883	16,715,824	--
Investment earnings	7,826,256	3,518,561	--
Other	45,850,545	698,270,706	--
Total Revenues	6,857,998,762	2,339,905,365	--
OTHER INCREASES			
Transfers from other funds	404,999,094	59,613,068	238,922,870
Proceeds from sale of bonds	--	62,000,000	--
Other	--	4,324,933	--
Total Other Increases	404,999,094	125,938,001	238,922,870
Total Revenues and Other Increases	7,262,997,856	2,465,843,366	238,922,870
EXPENDITURES			
Public Safety and criminal justice	443,696,829	19,074,422	--
Physical and mental health	1,237,552,303	19,057,020	--
Educational, cultural and intellectual development	2,105,143,655	1,057,174,664	--
Community development and environmental management	218,525,569	92,841,234	--
Economic planning, development and security	1,096,492,058	52,815,199	--
Transportation services	386,392,749	--	--
Government direction, management and control	1,457,261,047	432,151,705	--
Special government services	57,999,996	402,007,908	--
Debt service			
Principal	--	--	107,590,000
Interest	--	--	131,332,870
Total Expenditures	7,003,064,206	2,075,122,152	238,922,870
OTHER DECREASES			
Transfers to other funds	238,922,870	409,249,798	--
Other	481,692	--	--
Total Other Decreases	239,404,562	409,249,798	--
Total Expenditures and Other Decreases	7,242,468,768	2,484,371,950	238,922,870
Net Increase (Decrease) in Fund Balances for the Year	20,529,088	(18,528,584)	--
FUND BALANCES - JULY 1, 1982	553,761,273	255,621,340	--
FUND BALANCES - JUNE 30, 1983	$ 574,290,361	$ 237,092,756	$ --

Capital Projects Funds	Trust and Agency Funds	Total (Memorandum Only)
$ --	$ 932,276,865	$ 6,757,444,076
167,302,557	269,761,521	2,175,268,021
--	3,279,618	335,897,816
--	65,741,842	612,190,549
--	650,723,780	662,068,597
2,263,319	7,573,822	753,958,392
169,565,876	1,929,357,448	11,296,827,451
11,561,185	52,537,495	767,633,712
235,237,500	2,000,000	299,237,500
--	97,031,246	101,356,179
246,798,685	151,568,741	1,168,227,391
416,364,561	2,080,926,189	12,465,054,842
430,751	14,083,116	477,285,118
--	--	1,256,609,323
6,655,412	3,208,217	3,172,181,948
48,488,514	47,416	359,902,733
--	1,651,903,896	2,801,211,153
252,697,447	--	639,090,196
--	709,085	1,890,121,837
--	--	460,007,904
--	--	107,590,000
--	--	131,332,870
308,272,124	1,669,951,730	11,295,333,082
11,138,799	108,322,245	767,633,712
--	121,773,058	122,254,750
11,138,799	230,095,303	889,888,462
319,410,923	1,900,047,033	12,185,221,544
96,953,638	180,879,156	279,833,298
114,471,853	(84,416,708)	839,437,758
$ 211,425,491	$ 96,462,448	$ 1,119,271,056

GENERAL FUND

The General Fund is the fund into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State is accounted for in the General Fund. Revenues received from most taxes and Federal revenue and certain miscellaneous revenue items are recorded in the General Fund. The appropriations act enacted by the Legislature provides the basic framework for the operation of the General Fund.

LEGISLATIVE SERVICES COMMISSION

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State of New Jersey

OFFICE OF LEGISLATIVE SERVICES
DIVISION OF STATE AUDITING
STATE HOUSE ANNEX, CN-067
TRENTON, NEW JERSEY 08625
TELEPHONE: (609) 292-6430

JAMES J. DOLAN
STATE AUDITOR

December 21, 1983

TO: Honorable Thomas H. Kean
Governor of New Jersey

Honorable Carmen A. Orechio
President of the Senate

Honorable Alan J. Karcher
Speaker of the General Assembly

Mr. Samuel A. Alito
Executive Director
Office of Legislative Services

Gentlemen:

We have examined the balance sheet of the General Fund of the State of New Jersey as of June 30, 1983 and 1982, and the related statements of revenues, expenditures and changes in fund balances; revenues, expenditures and changes in fund balances, budget and actual - budgetary basis for the year ended June 30, 1983. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records, and such other auditing procedures as we considered necessary in the circumstances except as noted below.

The financial statements presented are for the General Fund only and are not intended to present fairly the financial position of the State of New Jersey, or results of operations for the years then ended in conformity with generally accepted accounting principles. The attached statements do not report on Special Revenue Funds, Capital Projects Funds, Debt Service Fund, and General Long-Term Obligations Account Group on which the State Auditor renders opinions. Also not included in these statements are the Trust and Agency Funds and Fixed Asset Account Group which have not been examined by the State Auditor.

As more fully discussed in Note 1E, the financial activities applicable to the General Fund of the public benefit corporations and authorities for which the State of New Jersey has oversight responsibility have not been included in the financial statements as required by generally accepted accounting principles.

As discussed in Notes 14 and 15 to the financial statements, the State is a defendant in several law suits and the audits of Federal funds have not been completed. These legal actions and/or audits have the potential for either a significant loss of revenue or unanticipated expenditures. The ultimate outcome of the law suits and/or the audits cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

In our opinion, except for the effect of not including the General Funds of public benefit corporations and authorities as set forth in the preceding paragraphs, and subject to the effects on the financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainty referred to in the preceding paragraph been know, the accompanying financial statements present fairly the financial position of the General Fund as of June 30, 1983 and 1982 and the results of operations for the year ended June 30, 1983 in conformity with generally accepted accounting principles, applied on a consistent basis.

The examination was performed and this report is submitted pursuant to the State Auditor's audit responsibilities as set forth in Article VII, Section 1.6 of the State Constitution, and N.J.S.A. 52:24-4, Legislative Services Law of 1978.

Respectfully submitted,

James J Dolan

James J. Dolan
State Auditor

STATE OF NEW JERSEY
GENERAL FUND
BALANCE SHEET
JUNE 30, 1983 AND JUNE 30, 1982

	June 30, 1983	June 30, 1982
ASSETS		
CASH		
Demand accounts (Note 2)	$ 12,466,110	$ 6,226,810
Time accounts	--	15,600,000
INVESTMENTS (Note 3)	83,246,583	35,804,385
RECEIVABLES (Note 4)		
Taxes	251,794,564	208,992,966
Federal government	155,344,830	126,133,946
Departmental accounts	139,166,200	181,138,291
Loans	807,306	312,703
Other	43,214,248	53,055,644
OTHER ASSETS		
Due from other funds (Note 5)	547,891,991	504,350,817
Advances to other funds	--	679,540
Deferred charges	2,940,000	2,940,000
Total Assets	$ 1,236,871,832	$ 1,135,235,102
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable (Note 6)	$ 525,897,088	$ 473,275,171
Deferred revenue (Note 7)	37,153,971	39,844,303
Due to other funds (Note 5)	49,023,281	35,441,856
Other (Note 8)	50,507,131	32,912,499
Total Liabilities	662,581,471	581,473,829
FUND BALANCES (Note 1)		
Reserved for encumbrances	196,292,467	245,553,575
Reserved for non-current resources	9,690,379	14,189,927
Unreserved		
Designated for continuing appropriations	272,113,947	215,285,955
Undesignated	96,193,568	78,731,816
Total Fund Balances	574,290,361	553,761,273
Total Liabilities and Fund Balances	$ 1,236,871,832	$ 1,135,235,102

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 1983 and JUNE 30, 1982

	FISCAL YEAR 1983	FISCAL YEAR 1982
REVENUES		
Taxes	$ 4,246,485,550	$ 3,860,062,010
Federal and other grants	1,730,532,630	1,649,485,114
Licenses and fees	297,570,898	293,074,031
Services and assessments	529,732,883	436,180,553
Investment earnings	7,826,256	10,020,186
Other	45,850,545	40,948,028
Total Revenues	6,857,998,762	6,289,769,922
OTHER INCREASES		
Transfers from other funds	404,999,094	330,272,077
Other	--	877,473
Total Other Increases	404,999,094	331,149,550
Total Revenues and Other Increases	7,262,997,856	6,620,919,472
EXPENDITURES		
Public safety and criminal justice	443,696,829	374,237,148
Physical and mental health	1,237,552,303	1,055,145,650
Educational, cultural and intellectual development	2,105,143,655	1,927,525,718
Community development and environmental management	218,525,569	207,966,892
Economic planning, development and security	1,096,492,058	1,085,865,727
Transportation services	386,392,749	363,858,115
Government direction, management and control	1,457,261,047	1,366,728,310
Special government services	57,999,996	50,541,559
Total Expenditures	7,003,064,206	6,431,869,119
OTHER DECREASES		
Transfers to other funds (NOTE 10)	238,922,870	185,628,105
Other	481,692	16,552
Total Other Decreases	239,404,562	185,644,657
Total Expenditures and Other Decreases	7,242,468,768	6,617,513,776
Net Increase (Decrease) in Fund Balances for the Year	20,529,088	3,405,696
FUND BALANCES AT BEGINNING OF YEAR	553,761,273	550,355,577
FUND BALANCES AT END OF YEAR	$ 574,290,361	$ 553,761,273

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	ACTUAL ON BUDGETARY BASIS	BUDGET (Note 1)	VARIANCE-FAVORABLE (UNFAVORABLE)
REVENUES					
Taxes	$ 4,246,485,550	$ 26,277	$ 4,246,511,827	$ 4,346,454,126	$ (99,942,299)
Federal and other grants	1,730,532,630	110,912,038	1,841,444,668	1,819,940,584	21,504,084
Licenses and fees	297,570,898	--	297,570,898	325,848,534	(28,277,636)
Services and assessments	529,732,883	7,754,124	537,487,007	485,087,871	52,399,136
Investment earnings	7,826,256	(10,816)	7,815,440	7,272,228	543,212
Other	45,850,545	1,791,971	47,642,516	20,893,806	26,748,710
Total Revenues	6,857,998,762	120,473,594	6,978,472,356	7,005,497,149	(27,024,793)
OTHER INCREASES					
Transfers from other funds	404,999,094	(391,093)	404,608,001	347,105,852	57,502,149
Other	--	43,927,858	43,927,858	43,927,858	--
Total Other Increases	404,999,094	43,536,765	448,535,859	391,033,710	57,502,149
Total Revenues and Other Increases	7,262,997,856	164,010,359	7,427,008,215	7,396,530,859	30,477,356
EXPENDITURES					
Public safety and criminal justice	443,696,829	9,203,509	452,900,338	469,388,213	16,487,875
Physical and mental health	1,237,552,303	(39,460,585)	1,198,091,718	1,207,214,595	9,122,877
Educational, cultural and intellectual development	2,105,143,655	12,600,678	2,117,744,333	2,167,105,022	49,360,689
Community development and environmental management	218,525,569	7,730,721	226,256,290	246,293,286	20,036,996
Economic planning, development and security	1,096,492,058	23,915,850	1,120,407,908	1,162,579,634	42,171,726
Transportation services	386,392,749	33,811,148	420,203,897	568,861,284	148,657,387
Government direction, management and control	1,457,261,047	(4,031,456)	1,453,229,591	1,562,586,607	109,357,016
Special government services	57,999,996	(1,185,623)	56,814,373	62,442,642	5,628,269
Total Expenditures	7,003,064,206	42,584,242	7,045,648,448	7,446,471,283	400,822,835
OTHER DECREASES					
Transfers to other funds (Note 10)	238,922,870	--	238,922,870	238,922,870	--
Other	481,692	(481,692)	--	--	--
Total Other Decreases	239,404,562	(481,692)	238,922,870	238,922,870	--
Total Expenditures and Other Decreases	7,242,468,768	42,102,550	7,284,571,318	7,685,394,153	400,822,835
Net Increase (Decrease) in Fund Balances for the Year	$ 20,529,088	$ 121,907,809	$ 142,436,897	$ (288,863,294)	$ 431,300,191

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) FUND ACCOUNTING

The National Council on Governmental Accounting in its publication entitled Statement 1 - Governmental Accounting and Financial Reporting Principles defines a fund as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. These statements reflect financial reporting practices in accordance with that definition.

General Fund:

The General Fund is the fund into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State is accounted for in the General Fund. Revenues received from most taxes and Federal revenues and certain miscellaneous revenue items are recorded in the General Fund. The appropriations act enacted by the Legislature provides the basic framework for the operation of the General Fund.

(B) BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

The General Fund is accounted for using the modified accrual basis of accounting. Under this basis revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Those revenues which are considered to be susceptible to accrual include Sales Tax, Cigarette Tax, Corporation Business Tax, Motor Fuels Tax, Transfer Inheritance Tax, Patients and Residents Cost Recoveries, Investment Earnings and Federal Revenues.

Those revenues which are not considered to be susceptible to accrual include Motor Vehicles Fees, Insurance Premiums Tax, Public Utility Excise Tax, Business Personal Property Tax, and Alcoholic Beverage Excise Tax.

Refunds of revenue applicable to June 30 but paid subsequently are recognized as a liability and as a reduction of revenue.

Appropriations are authorized by an act of the Legislature for expenditure during the fiscal year and for a period of one month thereafter. Expenditures are recorded on an accrual basis when the related liability is incurred. Modifications to the accrual basis of accounting include:

(a) Disbursements for prepaid expenses, inventory items, and fixed assets are recorded as expenditures when incurred.

(b) Accumulated unpaid vacation and sick pay are not accrued. (See Note 9).

Encumbrances represented by executed purchase orders and contracts are recorded and reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Contributions for Social Security are recorded on a cash basis. The contributions paid in fiscal year 1983 cover the 12 month period ending May 30, 1983. The State contribution for the month of June 1983, amounting to $22.8 million, is recorded in fiscal year 1984.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) REVENUE AND EXPENDITURE BUDGETS

The General Fund operates under a budgetary control system comprised of:

(a) The Annual Appropriations Act approved June 30, 1982 for fiscal year 1983 and various supplemental appropriations acts during the fiscal year.

(b) Reappropriations (authorized by the Annual Appropriations Act) of prior year funds which are available for expenditure in the current year.

(c) Appropriated Revenues (authorized by the Annual Appropriations Act) which established certain revenues as appropriations.

The above items provided the following amounts for the fiscal year 1983 budget:

	Revenues and Other Increases (Millions)	Expenditures and Other Decreases (Millions)
Annual Appropriations Act	$ 4,653.9	$ 4,700.0
Reappropriations	43.9	286.7
Appropriated Revenue	2,698.7	2,698.7
Totals	$ 7,396.5	$ 7,685.4

Budgetary control is maintained at the program unit level.

The accompanying statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual - Budgetary Basis presents comparisons of the legally adopted budget with actual data on a budgetary basis.

The State's budgetary basis of accounting differs from that utilized to present financial statements in conformance with generally accepted accounting principles (GAAP). The main difference between the budgetary basis and the GAAP basis is that under the budgetary basis encumbrances are recognized as expenditures.

There were no expenditures in excess of appropriations in the General Fund as of June 30, 1983 and June 30, 1982.

(D) FIXED ASSETS

The State owns extensive fixed assets consisting of: (1) land, (2) office buildings, hospitals, educational facilities, etc., (3) equipment used in construction, data processing, hospitals, offices, etc. Since the General Fund is accounted for on a spending or financial flow measurement focus, only current assets and current liabilities are included in the balance sheet. Fixed assets are therefore recorded as expenditures at the time of acquisition and are not included as assets of the General Fund.

(E) REPORTING ENTITY

The State has applied the criteria of Statement 3, Defining the Governmental Reporting Entity, issued by the National Council on Governmental Accounting, to various public benefit corporations and authorities to determine the propriety of including their financial activities in the financial statements.

Public benefit corporations and authorities are public, corporate entities created by the State under enabling legislation to carry on a specific function outside the regular structure of government and are not operating departments of the State. They are legal entities which may incur debt, own property, and have the power to finance their activities by means of user charges. The powers of a corporation or authority generally are vested in its governing board. The Governor, with the approval of the State Senate, appoints the members of the Board of most major corporations and either the Governor or the board

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) REPORTING ENTITY (Continued)

selects the Chairman and chief operating officer. Corporations and authorities are not subject to the State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations generally submit annual reports to the Governor, the Legislature and the Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The Comptroller has the authority to conduct financial examinations and audits of the corporations and authorities.

Based on the application of the criteria set forth in Statement 3, the following public benefit corporations and authorities fall within the definition and requirements of Statement 3 and Statement 1:

Hackensack Meadowlands Development Commission
New Jersey Building Authority
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Expressway Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Highway Authority
New Jersey Housing Finance Agency
New Jersey Mortgage Finance Agency
New Jersey Pinelands Commission
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Turnpike Authority
New Jersey Water Supply Authority
Rutgers, The State University of New Jersey
South Jersey Port Corporation
University of Medicine and Dentistry of New Jersey

The financial activities of these public benefit corporations and authorities have not been included in the financial statements. The reasons for exclusion of their activities from the financial statements include differences in fiscal years, lack of current audited or interim financial statements, differences related to basis of accounting and inherent difficulties involved in combining information contained in financial reports of entities conducting dissimilar operations.

Joint Ventures

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose, such as contracting for and maintaining an interstate bridge or tunnel, and/or an international airport. Pursuant to current professional standards, the State does not record its equity in joint ventures. The most significant joint ventures in which the State of New Jersey participates are:

Delaware River Basin Commission
Delaware River and Bay Authority
Delaware River Joint Toll Bridge Commission
Delaware River Port Authority
Port Authority of New York and New Jersey

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(F) FUND BALANCES

The Fund balance of the General Fund consists of:

(a) Reserved for encumbrances - used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.

(b) Reserved for non-current resources - used to earmark a portion of the fund balance to indicate it is not a resource currently available for appropriation or expenditure.

(c) Unreserved-Designated for continuing appropriations - used to represent that portion of the fund balance available to finance expenditures of the subsequent period.

(d) Unreserved-Undesignated - used to represent that portion of the fund balance resources available for appropriation.

(G) OTHER

Other significant accounting policies are described in Notes 2 to 13.

NOTE 2 - CASH

Negative book balances of $126.1 million representing a managed overdraft have been reclassified and are included in the accounts payable balance.

Compensating balance agreements are maintained with three banks handling the majority of cash transactions for the General Fund and for numerous other State funds. The agreements provide for an analysis of each of the accounts whereby the cost of maintaining the accounts is offset by earnings of funds on deposit. Withdrawal of cash is not legally restricted and in many instances the account balances maintained constitute normal working balances. During fiscal year 1983, the cost of transactions handled by the banks approximates $2.6 million for all funds.

NOTE 3 - INVESTMENTS

All securities purchased are recorded at cost and amortized for premium or discount. Securities received as donations and from settlement of claims are recorded at market value when received, and any difference between that and the par value is amortized. At June 30, 1983 and June 30, 1982, the book value approximates market value.

In addition to the amounts invested directly, the General Fund participates in the State of New Jersey Cash Management Fund wherein amounts also contributed by other funds and local governments, are combined into a large scale investment program. The General Fund participation, in the amount of $378.1 million for 1983 and $385.9 million for 1982, is reflected as part of Due from other funds in the Balance Sheet. The value of the Cash Management Fund at the balance sheet date approximates market value.

NOTE 4 - RECEIVABLES

Federal government receivables are composed of amounts established as appropriations based upon grant awards, the expenditure of which is the basis for reimbursement.

NOTE 4 - RECEIVABLES (Continued)

These Federal receivables as of June 30, 1983 and 1982 are reported in conformance with generally accepted accounting principles as defined in Statement 2 - Grant Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments published by the National Council of Governmental Accounting. In-as-much as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional $498.1 million and $350.6 million of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 1983 and June 30, 1982 respectively. In addition, at June 30, 1983 there was $151.7 million ($271.1 million at June 30, 1982) of unrecorded transportation apportionments deferred to future years. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 15 - Federal Programs.

Taxes and Departmental accounts receivable include amounts which where substantially collected within the one month period subsequent to June 30. Amounts included in these receivables but not collected within the one month period subsequent to June 30, are deemed to be collectible and therefore no allowance for doubtful accounts is necessary.

Loans and Other receivables are reflected net of allowances of $50.7 million and $64.3 million for 1983 and 1982 respectively. Included in the 1983 allowance ($50.7 million) is $7.8 million representing accrued interest receivable on delinquent railroad taxes and $39.9 million representing amounts due from indigent clients for services rendered by the Department of the Public Advocate. Collection on these receivables is considered highly doubtful, and therefore the receivables have been fully reserved at June 30, 1983.

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables are referred to respectively as Due from other funds and Due to other funds on the Balance Sheet. A summary of interfund receivables and payables for the General Fund at June 30, 1983 is shown below.

	Due From Other Funds (Millions)	Due To Other Funds (Millions)
Cash Management Fund	$ 378.1	$ --
Casino Revenue Fund	--	46.7
Casino Control Fund	6.9	--
Property Tax Relief Fund	88.9	--
State Lottery Fund	29.9	--
All Other	44.1	2.3
TOTAL	$ 547.9	$ 49.0

All Other is composed of individual receivables and payables each of which is less than $5 million.

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable balances of $525.9 million as of June 30, 1983 and $473.3 million as of June 30, 1982 include negative cash book balances (See Note 2) of $126.1 million and $101.8 million respectively. The remaining balance of $399.8 million for 1983 and $371.5 million for 1982 consists of amounts due for goods and services received by the State prior to June 30, 1983, aid payments to eligible recipients, and amounts due to the Federal government.

NOTE 7 - DEFERRED REVENUE

Deferred revenue represents amounts received but not earned as of June 30. These amounts will be earned in subsequent fiscal years.

Deferred revenue at June 30, 1983 ($37.1 million) and June 30, 1982 ($39.8 million) consists principally of motor vehicle licenses and registrations, professional board licenses and fees, and college tuitions and fees. In addition, the amount at June 30, 1983 ($37.1 million) includes approximately $7.5 million received from the U.S. Department of Energy representing Section 155 Oil Overcharge Escrow funds distributed to the various states for use in future energy conservation programs.

NOTE 8 - OTHER LIABILITIES

Other liabilities of $50.5 million at June 30, 1983 consists principally of refunds of revenue ($42.5 million) applicable to June 30, 1983 but paid subsequently during the month of July. The remaining $8.0 million at June 30, 1983 represents accrued interest payable to the Public Employees' Retirement System on the employer's share of pension contributions made subsequent to the July 1, 1982 due date. Payment for the accrued interest was made from the General Fund on July 1, 1983.

Other liabilities of $32.9 million on June 30, 1982 principally represent revenue refunds payable.

NOTE 9 - ACCUMULATED UNPAID SICK AND VACATION BENEFITS

Cash payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of $12,000. Employees separating from State service prior to retirement are not entitled to payments for accumulated sick leave balances. At June 30, 1983 accumulated employee sick leave balances had an estimated value of $210.4 million. Cash payments for sick leave at retirement are made from annual legislative appropriations for salaries and wages on a "pay-as-you-go-basis". Payments for accumulated sick leave during fiscal year 1983 and 1982 amounted to $3.5 million and $3.4 million respectively. Sick leave accumulations may also be used by an employee for a personal illness or injury as a means of continuing regular pay during illness or injury. Because future cash payments for unused sick leave can not be reasonably determined, no amount has been included in the Long Term Obligations Account Group.

At June 30, 1983, unpaid vacation was not in excess of a normal year's accumulation.

NOTE 10 - GENERAL LONG TERM DEBT

The general long term debt outstanding as of June 30, 1983 is $2,226,855,000, which is secured by the full faith and credit of the State (the General Fund). Amounts outstanding are to be raised and appropriated through future appropriations acts.

The amount provided by the General Fund to the Debt Service Fund for interest and principal payments for the fiscal year ended June 30, 1983 was $238,922,870. This is reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances as the transfer to other funds.

NOTE 10 - GENERAL LONG TERM DEBT (Continued)

A summary of debt service requirements on bonds outstanding as of June 30, 1983 to maturity is as follows:

Fiscal Year	Interest	Principal
1984	$ 150,930,346	$ 115,595,000
1985	142,447,070	131,750,000
1986	133,877,055	133,255,000
1987	125,472,655	132,010,000
1988	116,913,240	132,915,000
1989-1993	456,536,310	619,330,000
1994-1998	255,414,190	541,800,000
1999-2003	87,671,684	373,575,000
2004-2008	6,543,092	46,625,000
	$1,475,805,642	$2,226,855,000

In addition, the State (the General Fund) has guaranteed the principal and interest payments on bonds issued by the New Jersey Highway Authority and the New Jersey Sports and Exposition Authority. The amounts outstanding on these bonds as of June 30, 1983, are $28,917,000 and $283,230,000 respectively. The State's liability is contingent upon each Authority's inability to meet such debt service requirements through derived revenues. The State believes that the revenue of these authorities will be sufficient to provide for the payment of debt service on these obligations without recourse to the State's guarantee.

The State may be required to provide appropriations to meet any annual deficiencies in debt service for the South Jersey Port Corporation and the New Jersey Housing Finance Agency. However, the Legislature is not legally bound to make such appropriations for these "moral obligation" bonds.

In addition, New Jersey statutes provide that each school district shall be entitled to receive annual appropriations from the State for the payment of debt service on a maximum principal amount of $280,000,000 of bonds issued by the local school districts. The statutes also provide, in certain situations, for payments by the State for debt service on a maximum of $40,000,000 of county college bonds. Future legislatures are not legally bound to make such appropriations.

NOTE 11 - PENSIONS

The State of New Jersey sponsors and administers six pension plans covering substantially all State and other governmental employees which are actuarially reserved as follows:

Teachers' Pension Annuity Fund (TPAF)
Public Employees' Retirement System (PERS)
Judicial Retirement System (JRS)
State Police Retirement System (SPRS)
Police & Firemen Retirement System (P&FRS)
Consolidated Police & Firemen Pension Fund (CP&FPF)

NOTE 11 - PENSIONS (Continued)

In addition to the above reserved programs, there is the Prison Officer's Pension Fund which is a closed system and is funded on a pay-as-you-go basis. During the year ended June 30, 1983 the State appropriated $2.1 million to the plan.

Also, eligible employees of the various state and county universities and colleges are members of the TIAA-CREF, a privately administrered retirement plan. The State assumes no liability for this group of employees other than payment of employers' costs in accordance with the enabling legislation. During the year ended June 30, 1983 the State appropriated $23.8 million to the TIAA-CREF Plan.

All of the actuarially reserved systems are multiple employer, defined benefit plans, and are contributory. Benefits are determined by a formula using either the high three-year average salary or salary at the time of retirement and the years of service of each employee. Employer contributions to each system are determined on an actuarial reserve basis providing funding for both normal and accrued liability costs. 1983 pension costs reflect the 1981 actuarial liability.

An experience study of the systems is conducted every three years, with the exception of the Consolidated Police and Firemen Pension Fund where the experience study is conducted every five years. During the fiscal year ended June 30, 1983 the State contributed $343.0 million to these systems.

An actuarial valuation is made each year, with the most recent having been completed as noted in the Actuarial Extracts presented below.

As of the above valuations, the total net assets of all funds exceeded the present value of vested benefits, of all funds, by $1.4 billion. In addition, the unfunded liability of $1.2 billion for the six systems is based on benefits for past and future service. The State's share was $.9 billion and the political subdivision's $.3 billion.

None of the above calculations included any amount attributable to the cost of living provisions which are funded on a pay-as-you-go basis. During fiscal year 1983 the State contributed $96.7 million to the Pension Adjustment Fund for this purpose. Other significant disclosures concerning the individual systems are as follows:

NOTE 11 - PENSIONS (Continued)

	TPAF	PERS	JRS	SPRS	P & FRS	CP & FPF
1. Classes of Employees	Teaching Employees	General Employees	Supreme Court Justices, Superior, County, District, & Domestic Court Justices	State Police Troopers & Officers	Police & Firemen	Police & Firemen
2. Eligibility Requirements	All Employees of 70 Years State & Political Sub-Divisions	All Employees of State & Political Sub-Divisions	All	All Officers & Troopers	All State & Political Sub-Divisions Employees Appointed After June 1944	All State & Political Sub-Divisions Employees Appointed Prior to July 1944
3. Nature of Fiduciary Responsibilities	Administers Fund	Administers Fund	Administers Fund	Administers Fund	Administers Fund	Administers Fund
4. Single/Multiple Employer Plan	Multiple	Multiple	Multiple	Multiple	Multiple	Multiple
5. Contributions-(Including Insurance Premiums) Actual Current Year in millions	$229.4	$85.2	$5.1	$11.9	$5.2	$6.1
Statutory Required Current Year	Same	Same	Same	Same	Same	Same
Actuarially Required Current Year	Same	Same	Same	Same	Same	Same
6. State Share Unfunded Liabilities*(in millions) Vested and Unvested	$545.8	$229.3	$20.7	$50.3	$12.6	$41.6
7. Will Current Contributions (As % of Active Employees) Remain Approximately Level	Yes	Yes	Yes	Yes	Yes	No-Will Decrease

*The actuarially computed value of unfunded liabilities cannot be allocated to vested or unvested liability.

NOTE 11 - PENSIONS (Continued)

8. Actuarial Extracts:

Pension Plan	TPAF	PERS	P&FRS
Date of Last Valuation	3/31/82	3/31/82	3/31/82
Membership			
Active	109,170	60,205	26,835
Retired or Vested	27,315	13,464	6,286
Total	136,485	73,669	33,121
Assumed Interest Rate of Return	10 1/2%	10 1/2%	10 1/2%

Pension Plan	State Police	Judicial	Consolidated Police & Firemen
Date of Last Valuation	7/1/82	7/1/82	12/31/82
Membership:			
Active	1,913	316	13
Retired or Vested	768	200	6,009
Total	2,681	516	6,022
Assumed Interest Rate of Return	8.5%	8.5%	8.5%

NOTE 12 - REALTY LEASE COMMITMENTS

At June 30, 1983 the State was actively involved in 765 realty agreements of which 675 are operating leases. The remaining leases (90) have been identified as capital leases and are disclosed in the General Long Term Obligations Account Group.

For fiscal years 1983 and 1982, rental expense amounted to $41.0 million and $35.8 million respectively.

Future obligations for operating realty leases are presented below:

F.Y. 1984	$27.9 million
F.Y. 1985	15.4 million
F.Y. 1986	12.2 million
F.Y. 1987	8.1 million
F.Y. 1988	6.3 million
Thereafter	16.2 million
	$86.1 million

In addition, the State has operating lease commitments for data processing, word processing, typewriters, and various other items of equipment.

NOTE 13 - OTHER MATTERS

During fiscal year 1983, the State adopted a deferred compensation plan for its eligible employees wherein they may defer payment of current amounts earned to a future date when certain circumstances are met. The deferred compensation plan has been approved by a ruling from the Internal Revenue Service. Amounts contributed represent a general liability of the State to its employees whose rights are equal to, but no greater than, the rights of other general creditors with respect to such amounts.

Amounts contributed by employees are transmitted to an administrative agent for investment purposes. These investments and the offsetting liability for amounts due employees are recorded in the General Long Term Obligations Account Group in the amount of $7.0 million at June 30, 1983.

As of June 30, 1983, no portion of the deferred compensation amount is reflected in the financial statements as current since distributions and withdrawals are nominal in amount.

NOTE 14 - CONTINGENT LIABILITIES

The State is involved in a number of legal actions wherein the State of New Jersey has the potential for either loss of revenue or unanticipated expenditure. The exact amount involved in these legal proceedings is not fully determinable as of June 30, 1983 but approximates $70 million. Of this amount approximately $20 million concerns proceedings in the Tax Court of New Jersey. Within the Tax Court, there is a case pending that involves a challenge to the right of the State to reflect as part of the income and net worth tax basis for computation of the corporation business tax securities issued by certain public authorities. An adverse decision in this case could result in approximately $20 million in refund claims by banks and other financial institutions which hold substantial amounts of such securities.

Pursuant to the New Jersey Tort Claims Act there are approximately 1,359 tort cases and 860 notices of claims filed against the State. The State is unable to estimate its exposure for these cases and claims. (An independent study estimated an aggregate potential exposure of $50 million for claims pending as of January 1, 1982).

NOTE 15 - FEDERAL PROGRAMS

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 1983, audits of expenditures for fiscal years 1983 and prior may not be completed. Disallowances, if any, which may result from these audits are not determinable at this time.

Federal expenditures for fiscal year 1983 and the three preceding years are as follows:

F.Y. 1983	$1.8 billion
F.Y. 1982	$1.7 billion
F.Y. 1981	$1.7 billion
F.Y. 1980	$1.5 billion

NOTE 16 - SUBSEQUENT EVENTS

Emergency Transportation Tax (ETT)

The U. S. Supreme Court ruled that the commuter transportation tax imposed on New York residents who travel to jobs in New Jersey is unconstitutional. The court ruled that the tax could remain in place until January 1, 1984. Revenues from the commuter tax for fiscal year 1983 were approximately $50.0 million. It is estimated that revenues for fiscal year 1984 through December 31, 1983, after which the tax will no longer be collected, will amount to $30.0 million. The fiscal 1984 Appropriations Act has accordingly been enacted to reflect the reduction of Emergency Transportation Tax revenues.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

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State of New Jersey

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JAMES J. DOLAN
STATE AUDITOR

December 21, 1983

TO: Honorable Thomas H. Kean
Governor of New Jersey

Honorable Carmen A. Orechio
President of the Senate

Honorable Alan J. Karcher
Speaker of the General Assembly

Mr. Samuel A. Alito
Executive Director
Office of Legislative Services

Gentlemen:

We have examined the combining balance sheet of the Special Revenue Funds of the State of New Jersey as of June 30, 1983 and the related combining statements of revenues, expenditures, and changes in fund balances; revenues, expenditures, and changes in fund balances, budget and actual-budgetary basis (Casino Control Fund, Casino Revenue Fund, Gubernatorial Elections Fund, and the Property Tax Relief Fund) for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records, and such other auditing procedures as we considered necessary in the circumstances, except as noted below.

Our examination was limited to those funds reported by the State Treasurer as Special Revenue Funds. Our review did not include those funds, if any, which may also be special revenue funds, but which in accordance with New Jersey accounting policy were reported in other fund classifications.

The financial statements presented are for the Special Revenue Funds only and are not intended to present fairly the financial position of the State of New Jersey or results of operations for the year then ended in conformity with generally accepted accounting principles. The attached statements do not report on the General Fund, Capital Projects Funds, Debt Service Fund, and General Long-Term Obligations Account Group on which the State Auditor renders opinions. Also not included in these statements are the Trust and Agency Funds and Fixed Assets Account Group which have not been examined by the State Auditor.

As more fully discussed in Note 1F, the financial activities applicable to the Special Revenue Funds of the public benefit corporations and authorities for which the State of New Jersey has oversight responsibility have not been included in the financial statements as required by generally accepted accounting principles.

During Fiscal Year 1983, the State changed certain of its financial accounting and reporting practices for the Special Revenue Funds to more closely conform to generally accepted accounting principles as defined by Governmental Accounting and Financial Reporting Principles (Statement 1). These changes are more fully explained in Note 2 and principally include the future liability for Lottery installment prize payments which are no longer recorded in either the State Lottery Fund or the General Long-Term Obligations Account Group; purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase; an agency fund has been established to record the deposit fund contracts and related liabilities at present value; and, fifteen funds which were previously recorded as Trust and Agency Funds have been reclassified as Special Revenue Funds.

As discussed in Note 15 to the financial statements, claims totaling $3.6 million have been filed against the New Jersey Spill Compensation Fund by third parties for damages caused by spills. Various claims totaling about $12 million have been filed against the Sanitary Landfill Facility Contingency Fund for closure costs or property damage and loss of income. The ultimate disposition of these claims cannot presently be determined, and no provision for any liability that may result has been made in the financial statements. In addition, the Casino Control Fund is involved in a number of legal actions wherein there is potential for either a loss of revenue or unanticipated expenditure. As of June 30, 1983, the exact amount involved in these legal proceedings is not fully determinable.

In our opinion, except for the limitation of testing and the effect of not including the special revenue funds of public benefit corporations and authorities as set forth in the preceding paragraphs, and subject to the effect on the financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainty referred to in the preceding paragraph been known, the accompanying financial statements present fairly the financial position of the Special Revenue Funds as of June 30, 1983 and the results of operations for the year then ended in conformity with generally accepted accounting principles applied consistently during the period except for the change, with which we concur, in the reclassification of Trust and Agency Funds as Special Revenue Funds.

The examination was performed and this report is submitted pursuant to the State Auditor's audit responsibilities as set forth in Article VII, Section 1.6 of the State Constitution, and N.J.S.A. 52:24-4, Legislative Services Law of 1978.

Respectfully sumbitted,

James J Dolan

James J. Dolan
State Auditor

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1983

	Beaches and Harbor Fund	Boarding House Rental Assistance Fund	Casino Control Fund
ASSETS			
CASH			
Demand accounts (Note 3)	$ --	$ --	$ --
INVESTMENTS (Note 4)	--	--	--
RECEIVABLES (Note 5)			
Taxes	--	--	--
Federal government	--	--	--
Departmental accounts	--	--	7,357,565
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds (Note 6)	8,748,281	948,086	--
Deferred charges	--	--	--
Total Assets	$ 8,748,281	$ 948,086	$ 7,357,565
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable (Note 7)	$ 234,948	$ --	$ 2,784,329
Deferred revenue	--	--	--
Due to other funds (Note 6)	470,687	--	6,956,276
Other (Note 8)	125,997	--	--
Total Liabilities	831,632	--	9,740,605
FUND BALANCES (Notes 1 and 9)			
Reserved for encumbrances	178,359	--	1,095,330
Reserved for non-current resources	--	--	--
Unreserved			
Designated for continuing appropriations	15,245,314	--	--
Undesignated	(7,507,024)	948,086	(3,478,370)
Total Fund Balances	7,916,649	948,086	(2,383,040)
Total Liabilities and Fund Balances	$ 8,748,281	$ 948,086	$ 7,357,565

The accompanying notes are an integral part of the financial statements.

Casino Revenue Fund	Clean Waters Fund	Emergency Flood Control Fund	Gubernatorial Elections Fund	Hazardous Discharge Fund
$ --	$ 2,991	$ 1,406	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
5,407,197	--	--	1,524,681	--
--	--	--	--	--
--	56,510	--	--	--
46,721,085	13,817,923	8,997,421	--	--
--	--	--	--	--
$ 52,128,282	$ 13,877,424	$ 8,998,827	$ 1,524,681	$ --
$ 2,622,514	$ 65,895	$ 211,637	$ --	$ --
--	--	--	--	--
--	713,519	499,916	2,313,508	--
--	--	--	--	--
2,622,514	779,414	711,553	2,313,508	--
2,165,977	5,433,292	5,362,251	--	--
--	--	--	--	--
--	16,641,541	13,910,023	28,940	33,000,000
47,339,791	(8,976,823)	(10,985,000)	(817,767)	(33,000,000)
49,505,768	13,098,010	8,287,274	(788,827)	--
$ 52,128,282	$ 13,877,424	$ 8,998,827	$ 1,524,681	$ --

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1983

	Housing Assistance Fund	Medical Education Facilities Fund	Mortgage Assistance Fund
ASSETS			
CASH			
Demand accounts (Note 3)	$ 1,186	$ 2,083,954	$ --
INVESTMENTS (Note 4)	--	2,500,000	--
RECEIVABLES (Note 5)			
Taxes	--	--	--
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	10,185,476	--	6,106,639
Other	--	--	--
OTHER ASSETS			
Due from other funds (Note 6)	20,965	--	656,920
Deferred charges	--	--	--
Total Assets	$ 10,207,627	$ 4,583,954	$ 6,763,559
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable (Note 7)	$ --	$ 511,784	$ 52,960
Deferred revenue	--	--	--
Due to other funds (Note 6)	1,965	438,230	39,941
Other (Note 8)	--	--	--
Total Liabilities	1,965	950,014	92,901
FUND BALANCES (Notes 1 and 9)			
Reserved for encumbrances	--	3,056,306	285,699
Reserved for non-current resources	10,185,476	--	--
Unreserved			
Designated for continuing appropriations	20,186	571,282	7,355,083
Undesignated	--	6,352	(970,124)
Total Fund Balances	10,205,662	3,633,940	6,670,658
Total Liabilities and Fund Balances	$ 10,207,627	$ 4,583,954	$ 6,763,559

The accompanying notes are an integral part of the financial statements.

Natural Resources Fund	New Jersey Spill Compensation Fund	Property Tax Relief Fund	Sanitary Landfill Facility Contingency Fund	State Land Acquisition and Development Fund
$ --	$ --	$ --	$ 19,110	$ --
--	--	--	--	--
--	12,222	96,477,295	--	--
--	--	--	--	4,402,823
--	--	158,545	--	--
--	--	--	--	--
--	177,594	--	--	--
9,198,582	30,631,098	--	8,433,823	33,782,532
--	--	--	--	--
$ 9,198,582	$ 30,820,914	$ 96,635,840	$ 8,452,933	$ 38,185,355
$ 3,282,639	$ 5,772,124	$ 567,631	$ --	$ 1,928,688
--	--	--	--	--
495,719	4,476,314	88,923,548	150,216	2,059,791
--	14,284	6,237,700	--	--
3,778,358	10,262,722	95,728,879	150,216	3,988,479
24,174,310	3,066,084	864,612	--	39,013,140
--	--	--	--	--
15,085,958	727,378	--	--	99,992,473
(33,840,044)	16,764,730	42,349	8,302,717	(104,808,737)
5,420,224	20,558,192	906,961	8,302,717	34,196,876
$ 9,198,582	$ 30,820,914	$ 96,635,840	$ 8,452,933	$ 38,185,355

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1983

	State Lottery Fund	State Recreation and Conservation Land Acquisition Fund 1971	State Recreation and Conservation Land Acquisition and Development Fund 1974
ASSETS			
CASH			
Demand accounts (Note 3)	$ 122,677	$ 3,050	$ 1,240,944
INVESTMENTS (Note 4)	--	--	--
RECEIVABLES (Note 5)			
Taxes	--	--	--
Federal government	--	--	994,028
Departmental accounts	--	--	--
Loans	--	--	--
Other	17,164,092	--	--
OTHER ASSETS			
Due from other funds (Note 6)	31,106,705	4,102,234	30,276,743
Deferred charges	1,388,440	--	--
Total Assets	$ 49,781,914	$ 4,105,284	$ 32,511,715
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable (Note 7)	$ 16,026,340	$ --	$ 812,369
Deferred revenue	229,092	--	--
Due to other funds (Note 6)	29,975,421	182,318	2,675,368
Other (Note 8)	--	11,135	--
Total Liabilities	46,230,853	193,453	3,487,737
FUND BALANCES (Notes 1 and 9)			
Reserved for encumbrances	3,391,839	1,683,160	19,869,221
Reserved for non-current resources	159,222	--	--
Unreserved			
Designated for continuing appropriations	--	2,228,671	9,566,507
Undesignated	--	--	(411,750)
Total Fund Balances	3,551,061	3,911,831	29,023,978
Total Liabilities and Fund Balances	$ 49,781,914	$ 4,105,284	$ 32,511,715

The accompanying notes are an integral part of the financial statements.

State Recycling Fund	State Water Development Fund	Transportation Fund	Unemployment Compensation Auxiliary Fund	Water Conservation Fund
$ --	$ 2,096	$ --	$ 84,097	$ 12,672
--	--	--	--	--
--	--	8,670,163	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	7,506,749
--	--	--	2,363,427	--
6,014,841	685,987	1,519,100	13,352,898	7,819,400
--	--	--	--	--
$ 6,014,841	$ 688,083	$ 10,189,263	$ 15,800,422	$ 15,338,821
$ 87,996	$ 295	$ 259,111	$ 185,945	$ 70,940
--	--	--	--	--
172,414	38,394	482,453	4,742,305	612,434
--	--	9,447,699	34,698	765,419
260,410	38,689	10,189,263	4,962,948	1,448,793
225	140,748	--	--	17,157,521
--	--	--	--	7,506,749
--	508,646	--	--	36,225,758
5,754,206	--	--	10,837,474	(47,000,000)
5,754,431	649,394	--	10,837,474	13,890,028
$ 6,014,841	$ 688,083	$ 10,189,263	$ 15,800,422	$ 15,338,821

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1983

	Water Supply Fund	Total Special Revenue Funds
ASSETS		
CASH		
Demand accounts (Note 3)	$ 409	$ 3,574,592
INVESTMENTS (Note 4)	--	2,500,000
RECEIVABLES (Note 5)		
Taxes	--	105,159,680
Federal government	--	5,396,851
Departmental accounts	--	14,447,988
Loans	--	23,798,864
Other	--	19,761,623
OTHER ASSETS		
Due from other funds (Note 6)	3,126,212	259,960,836
Deferred charges	--	1,388,440
Total Assets	$ 3,126,621	$ 435,988,874
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable (Note 7)	$ --	$ 35,478,145
Deferred revenue	--	229,092
Due to other funds (Note 6)	131,212	146,551,949
Other (Note 8)	--	16,636,932
Total Liabilities	131,212	198,896,118
FUND BALANCES (Notes 1 and 9)		
Reserved for encumbrances	--	126,938,074
Reserved for non-current resources	--	17,851,447
Unreserved		
Designated for continuing appropriations	57,850,000	308,957,760
Undesignated	(54,854,591)	(216,654,525)
Total Fund Balances	2,995,409	237,092,756
Total Liabilities and Fund Balances	$ 3,126,621	$ 435,988,874

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	Beaches and Harbor Fund	Boarding House Rental Assistance Fund	Casino Control Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	34,865,313
Services and assessments	--	--	--
Investment earnings	--	--	--
Other	2,788,052	--	--
Total Revenues	2,788,052	--	34,865,313
OTHER INCREASES			
Transfers from other funds	782,999	94,298	--
Proceeds from sale of bonds	10,000,000	--	--
Other	--	--	--
Total Other Increases	10,782,999	94,298	--
Total Revenues and Other Increases	13,571,051	94,298	34,865,313
EXPENDITURES			
Public safety and criminal justice	--	--	19,074,422
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	12,881,362	--	--
Economic planning, development and security	--	160,000	--
Government direction, management and control	--	--	13,613,675
Special government services	--	--	--
Total Expenditures	12,881,362	160,000	32,688,097
OTHER DECREASES			
Transfers to other funds	813,808	--	360,381
Total Other Decreases	813,808	--	360,381
Total Expenditures and Other Decreases	13,695,170	160,000	33,048,478
Net Increase (Decrease) in Fund Balances for the Year	(124,119)	(65,702)	1,816,835
FUND BALANCES - JULY 1, 1982	8,040,768	1,013,788	(4,199,875)
FUND BALANCES - JUNE 30, 1983	$ 7,916,649	$ 948,086	$ (2,383,040)

The accompanying notes are an integral part of the financial statements.

Casino Revenue Fund	Clean Waters Fund	Emergency Flood Control Fund	Gubernatorial Elections Fund	Housing Assistance Fund
$ 127,976,927	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,664,928	--	--	--	--
--	71,908	12,327	1,553,621	--
130,641,855	71,908	12,327	1,553,621	--
--	1,284,323	813,990	--	1,965
--	5,000,000	4,000,000	--	--
--	--	--	--	--
--	6,284,323	4,813,990	--	1,965
130,641,855	6,356,231	4,826,317	1,553,621	1,965
--	--	--	--	--
19,094,112	--	--	(37,092)	--
--	--	--	--	--
--	3,226,183	2,288,710	--	--
50,181,401	--	--	--	2,287,770
45,226,700	--	--	--	--
--	--	--	--	--
114,502,213	3,226,183	2,288,710	(37,092)	2,287,770
--	1,299,720	826,316	--	1,965
--	1,299,720	826,316	--	1,965
114,502,213	4,525,903	3,115,026	(37,092)	2,289,735
16,139,642	1,830,328	1,711,291	1,590,713	(2,287,770)
33,366,126	11,267,682	6,575,983	(2,379,540)	12,493,432
$ 49,505,768	$ 13,098,010	$ 8,287,274	$ (788,827)	$ 10,205,662

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	Medical Education Facilities Fund	Mortgage Assistance Fund	Natural Resources Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	438,230	--	--
Other	--	471,974	19,874
Total Revenues	438,230	471,974	19,874
OTHER INCREASES			
Transfers from other funds	--	94,123	980,172
Proceeds from sale of bonds	--	--	10,000,000
Other	--	--	--
Total Other Increases	--	94,123	10,980,172
Total Revenues and Other Increases	438,230	566,097	11,000,046
EXPENDITURES			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	8,855,663	--	--
Community development and environmental management	--	431,043	15,927,480
Economic planning, development and security	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
Total Expenditures	8,855,663	431,043	15,927,480
OTHER DECREASES			
Transfers to other funds	438,230	94,123	1,000,047
Total Other Decreases	438,230	94,123	1,000,047
Total Expenditures and Other Decreases	9,293,893	525,166	16,927,527
Net Increase (Decrease) in Fund Balances for the Year	(8,855,663)	40,931	(5,927,481)
FUND BALANCES - JULY 1, 1982	12,489,603	6,629,727	11,347,705
FUND BALANCES - JUNE 30, 1983	$ 3,633,940	$ 6,670,658	$ 5,420,224

The accompanying notes are an integral part of the financial statements.

New Jersey Spill Compensation Fund	Property Tax Relief Fund	Sanitary Landfill Facility Contingency Fund	State Land Acquisition and Development Fund	State Lottery Fund
$ 10,521,426	$ 1,350,747,534	$ --	$ --	$ --
--	--	--	6,425,329	--
162,804	--	10,530	--	--
--	--	5,689,781	--	--
--	--	--	--	--
--	--	--	--	693,103,137
10,684,230	1,350,747,534	5,700,311	6,425,329	693,103,137
2,495,362	40,809,544	475,391	4,519,943	1,538,705
--	--	--	15,000,000	--
--	--	--	--	4,324,933
2,495,362	40,809,544	475,391	19,519,943	5,863,638
13,179,592	1,391,557,078	6,175,702	25,945,272	698,966,775
--	--	--	--	--
--	--	--	--	--
--	1,048,319,001	--	--	--
2,775,114	--	--	34,389,583	--
--	--	--	--	--
--	373,311,330	--	--	--
--	--	--	--	402,007,908
2,775,114	1,421,630,331	--	34,389,583	402,007,908
4,476,314	--	150,216	4,015,346	294,975,421
4,476,314	--	150,216	4,015,346	294,975,421
7,251,428	1,421,630,331	150,216	38,404,929	696,983,329
5,928,164	(30,073,253)	6,025,486	(12,459,657)	1,983,446
14,630,028	30,980,214	2,277,231	46,656,533	1,567,615
$ 20,558,192	$ 906,961	$ 8,302,717	$ 34,196,876	$ 3,551,061

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	State Recreation and Conservation Land Acquisition Fund 1971	State Recreation and Conservation Land Acquisition and Development Fund 1974	State Recycling Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	5,312	1,234,672	--
Licenses and fees	--	--	8,653
Services and assessments	--	--	4,590,163
Investment earnings	--	--	--
Other	--	46,208	--
Total Revenues	5,312	1,280,880	4,598,816
OTHER INCREASES			
Transfers from other funds	849,054	2,769,786	370,871
Proceeds from sale of bonds	--	15,000,000	--
Other	--	--	--
Total Other Increases	849,054	17,769,786	370,871
Total Revenues and Other Increases	854,366	19,050,666	4,969,687
EXPENDITURES			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	400,061	12,918,981	630,337
Economic planning, development and security	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
Total Expenditures	400,061	12,918,981	630,337
OTHER DECREASES			
Transfers to other funds	376,526	3,839,326	378,454
Total Other Decreases	376,526	3,839,326	378,454
Total Expenditures and Other Decreases	776,587	16,758,307	1,008,791
Net Increase (Decrease) in Fund Balances for the Year	77,779	2,292,359	3,960,896
FUND BALANCES - JULY 1, 1982	3,834,052	26,731,619	1,793,535
FUND BALANCES - JUNE 30, 1983	$ 3,911,831	$ 29,023,978	$ 5,754,431

The accompanying notes are an integral part of the financial statements.

State Water Development Fund	Transportation Benefit Fund	Transportation Fund	Unemployment Compensation Auxiliary Fund	Water Conservation Fund
$ --	$ --	$ 89,435,774	$ --	$ --
--	--	--	--	6,000
--	--	--	--	--
--	--	--	6,435,880	--
--	--	--	415,403	--
--	--	--	--	203,605
--	--	89,435,774	6,851,283	209,605
81,377	--	--	512,898	865,830
--	--	--	--	3,000,000
--	--	--	--	--
81,377	--	--	512,898	3,865,830
81,377	--	89,435,774	7,364,181	4,075,435
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
214,868	--	--	--	6,752,921
--	--	--	186,028	--
--	--	--	--	--
--	--	--	--	--
214,868	--	--	186,028	6,752,921
81,377	30,712	89,435,774	5,313,871	1,069,434
81,377	30,712	89,435,774	5,313,871	1,069,434
296,245	30,712	89,435,774	5,499,899	7,822,355
(214,868)	(30,712)	--	1,864,282	(3,746,920)
864,262	30,712	--	8,973,192	17,636,948
$ 649,394	$ --	$ --	$ 10,837,474	$ 13,890,028

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	Water Supply Fund	Total Special Revenue Funds
REVENUES		
Taxes	$ --	$ 1,578,681,661
Federal and other grants	--	7,671,313
Licenses and fees	--	35,047,300
Services and assessments	--	16,715,824
Investment earnings	--	3,518,561
Other	--	698,270,706
Total Revenues	--	2,339,905,365
OTHER INCREASES		
Transfers from other funds	272,437	59,613,068
Proceeds from sale of bonds	--	62,000,000
Other	--	4,324,933
Total Other Increases	272,437	125,938,001
Total Revenues and Other Increases	272,437	2,465,843,366
EXPENDITURES		
Public safety and criminal justice	--	19,074,422
Physical and mental health	--	19,057,020
Educational, cultural and intellectual development	--	1,057,174,664
Community development and environmental management	4,591	92,841,234
Economic planning, development and security	--	52,815,199
Government direction, management and control	--	432,151,705
Special government services	--	402,007,908
Total Expenditures	4,591	2,075,122,152
OTHER DECREASES		
Transfers to other funds	272,437	409,249,798
Total Other Decreases	272,437	409,249,798
Total Expenditures and Other Decreases	277,028	2,484,371,950
Net Increase (Decrease) in Fund Balances for the Year	(4,591)	(18,528,584)
FUND BALANCES - JULY 1, 1982	3,000,000	255,621,340
FUND BALANCES - JUNE 30, 1983	$ 2,995,409	$ 237,092,756

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	ACTUAL ON BUDGETARY BASIS	BUDGET (Note 1)	VARIANCE-FAVORABLE (UNFAVORABLE)
REVENUES					
Licenses and fees	$ 34,865,313	$ --	$ 34,865,313	$ 35,474,028	$ (608,715)
Total Revenues	34,865,313	--	34,865,313	35,474,028	(608,715)
OTHER INCREASES					
Total Other Increases	--	--	--	--	--
Total Revenues and Other Increases	34,865,313	--	34,865,313	35,474,028	(608,715)
EXPENDITURES					
Public safety and criminal justice	19,074,422	1,095,452	20,169,874	21,134,583	964,709
Government direction, management and control	13,613,675	(28,523)	13,585,152	14,339,445	754,293
Total Expenditures	32,688,097	1,066,929	33,755,026	35,474,028	1,719,002
OTHER DECREASES					
Transfers to other funds	360,381	--	360,381	--	(360,381)
Total Other Decreases	360,381	--	360,381	--	(360,381)
Total Expenditures and Other Decreases	33,048,478	1,066,929	34,115,407	35,474,028	1,358,621
Net Increase (Decrease) in Fund Balances for the Year	$ 1,816,835	$ (1,066,929)	$ 749,906	$ -0-	$ 749,906

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	ACTUAL ON BUDGETARY BASIS	BUDGET (Note 1)	VARIANCE-FAVORABLE (UNFAVORABLE)
REVENUES					
Taxes	$ 127,976,927	$ --	$ 127,976,927	$ 110,000,000	$ 17,976,927
Investment earnings	2,664,928	--	2,664,928	--	2,664,928
Total Revenues	130,641,855	--	130,641,855	110,000,000	20,641,855
OTHER INCREASES					
Total Other Increases	--	--	--	--	--
Total Revenues and Other Increases	130,641,855	--	130,641,855	110,000,000	20,641,855
EXPENDITURES					
Physical and mental health	19,094,112	333,753	19,427,865	19,500,000	72,135
Ecomonic planning, development and security	50,181,401	1,484,628	51,666,029	64,293,810	12,627,781
Government direction, management and control	45,226,700	--	45,226,700	45,226,700	--
Total Expenditures	114,502,213	1,818,381	116,320,594	129,020,510	12,699,916
OTHER DECREASES					
Total Other Decreases	--	--	--	--	--
Total Expenditures and Other Decreases	114,502,213	1,818,381	116,320,594	129,020,510	12,699,916
Net Increase (Decrease) in Fund Balances for the Year	$ 16,139,642	$ (1,818,381)	$ 14,321,261	$ (19,020,510)	$ 33,341,771

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
GUBERNATORIAL ELECTIONS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	ACTUAL ON BUDGETARY BASIS	BUDGET (Note 1)	VARIANCE-FAVORABLE (UNFAVORABLE)
REVENUES					
Other	$ 1,553,621	$ --	$ 1,553,621	$ 1,728,940	$ (175,319)
Total Revenues	1,553,621	--	1,553,621	1,728,940	(175,319)
OTHER INCREASES					
Total Other Increases	--	--	--	--	--
Total Revenues and Other Increases	1,553,621	--	1,553,621	1,728,940	(175,319)
EXPENDITURES					
Public safety and criminal justice	(37,092)	37,173	81	29,021	28,904
Total Expenditures	(37,092)	37,173	81	29,021	28,940
OTHER DECREASES					
Total Other Decreases	--	--	--	--	--
Total Expenditures and Other Decreases	(37,092)	37,173	81	29,021	28,940
Net Increase (Decrease) in Fund Balances for the Year	$ 1,590,713	$ (37,173)	$ 1,553,540	$ 1,699,919	$ (146,379)

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	ACTUAL ON BUDGETARY BASIS	BUDGET (Note 1)	VARIANCE-FAVORABLE (UNFAVORABLE)
REVENUES					
Taxes	$ 1,350,747,534	$ --	$ 1,350,747,534	$ 1,490,000,000	$ (139,252,466)
Total Revenues	1,350,747,534	--	1,350,747,534	1,490,000,000	(139,252,466)
OTHER INCREASES					
Transfers from other funds	40,809,544	--	40,809,544	--	40,809,544
Total Other Increases	40,809,544	--	40,809,544	--	40,809,544
Total Revenues and Other Increases	1,391,557,078	--	1,391,557,078	1,490,000,000	(98,442,922)
EXPENDITURES					
Educational, cultural and intellectual development	1,048,319,001	87,778	1,048,406,779	1,049,297,298	890,519
Government direction, management and control	373,311,330	275,596	373,586,926	377,065,127	3,478,201
Total Expenditures	1,421,630,331	363,374	1,421,993,705	1,426,362,425	4,368,720
OTHER DECREASES					
Total Other Decreases	--	--	--	--	--
Total Expenditures and Other Decreases	1,421,630,331	363,374	1,421,993,705	1,426,362,425	4,368,720
Net Increase (Decrease) in Fund Balances for the Year	$ (30,073,253)	$ (363,374)	$ (30,436,627)	$ 63,637,575	$ (94,074,202)

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) FUND ACCOUNTING

The National Council on Governmental Accounting, in its publication entitled Statement 1 - Governmental Accounting and Financial Reporting Principles, defines a fund as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. These statements reflect financial reporting practices in accordance with that definition.

Special Revenue Fund:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes. See the "Description of Funds" for description of the individual Special Revenue Funds included in these statements.

(B) BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

Special Revenue Funds are accounted for using the modified accrual basis of accounting. Under this basis of accounting revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period. Material revenues susceptible to accrual for the Special Revenue Funds include Casino License Fees, Spill Claims, Federal Grants, Interest and Penalties on Employment Taxes, and Lottery Ticket Sales. Income Taxes withheld from employees but in the hands of employer collecting agents at June 30 received subsequent to June 30 are also recognized as revenues.

Revenues not considered to be susceptible to accrual include Gross Income Tax, Casino Gross Receipts Tax and self-assessed taxes of the Spill Compensation Fund.

Refunds of revenue applicable to June 30 but paid subsequently are recognized as a liability and as a reduction of revenue.

Appropriations are authorized by an act of the Legislature for expenditures during the fiscal year and for a period of one month thereafter. Expenditures are recorded on an accrual basis when the related liability is incurred. Modifications to the accrual basis of accounting include:

(a) Disbursements for prepaid expenses, inventory items, and fixed assets which are recorded as expenditures when incurred.

(b) Accumulated unpaid vacation and sick pay are not accrued.

Encumbrances represented by executory and unperformed purchase orders and contracts are recorded and reported as reservations of fund balance since they do not constitute expenditures or liabilities.

(C) REVENUE AND EXPENDITURE BUDGETS

1. Those Special Revenue Funds detailed in the following table operate under a budgetary control system comprised of:

    (a) The Annual Appropriations Act approved June 30, 1982 for fiscal year 1983 and various supplemental appropriation acts approved during the fiscal year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) REVENUE AND EXPENDITURE BUDGETS (Continued)

(b) Reappropriations (authorized by the Annual Appropriations Act) of prior year funds which are available for expenditure in the current year.

(c) Appropriated Revenues (authorized by the Annual Appropriations Act) which establish certain revenues as appropriations.

The above items provided the following amounts for the fiscal year 1983 Budget.

	Revenue and Other Increases (Millions)			
	Casino Control Fund	Casino Revenue Fund	Gubernatorial Elections Fund	Property Tax Relief Fund
Annual Appropriations Act	$ 35.5	$ 110.0	$ 1.7	$ 1,490.0
Reappropriations	--	--	--	--
Appropriated Revenue	--	--	--	--
Totals	$ 35.5	$ 110.0	$ 1.7	$ 1,490.0

	Expenditures and Other Decreases (Millions)			
	Casino Control Fund	Casino Revenue Fund	Gubernatorial Elections Fund	Property Tax Relief Fund
Annual Appropriations Act	$ 35.5	$ 129.0	$ --	$ 1,425.0
Reappropriations	--	--	--	1.4
Appropriated Revenue	--	--	--	--
Totals	$ 35.5	$ 129.0	$ --	$ 1,426.4

Budgetary control is maintained at the program unit level.

The accompanying statements of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual - Budgetary Basis present comparisons of the legally adopted budget with actual data on a budgetary basis.

The State's budgetary basis of accounting differs from that utilized to present financial statements in conformance with generally accepted accounting principles (GAAP). The main difference between the budgetary basis and the GAAP basis is that under the budgetary basis encumbrances are recognized as expenditures.

There were no expenditures in excess of appropriations in the Special Revenue Funds.

2. The other Special Revenue Funds do not operate under an annual budgetary control system but expenditures are authorized by the enabling legislation.

3. The State Lottery Fund operates under an informal budgetary control system approved by the New Jersey State Lottery Commission which for fiscal year 1983 resulted in the Governor's revenue certification of $230 million representing transfers from the State Lottery Fund to the General Fund.

Accordingly there is no Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual - Budgetary Basis for these funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) FIXED ASSETS

The State owns extensive fixed assets consisting of: (1) land, (2) office buildings, hospitals, educational facilities, etc., (3) equipment used in construction, data processing, hospitals, offices, etc. Since Special Revenue Funds are accounted for on a spending or financial flow measurement focus, only current assets and current liabilities are included in the balance sheets. Fixed assets are therefore recorded as expenditures at the time of acquisition and are not included as assets of Special Revenue Funds.

(E) FUND BALANCES

The Fund balance of Special Revenue Funds consists of:

(a) Reserved for encumbrances - used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.

(b) Reserved for non-current resources - used to earmark a portion of the fund balance to indicate it is not a resource currently available for appropriation or expenditure.

(c) Unreserved-Designated for continuing appropriations - used to represent that portion of the fund balance available to finance expenditures of the subsequent period.

(d) Unreserved-Undesignated - used to represent that portion of fund balance resources available for appropriation.

(F) REPORTING ENTITY

The State has applied the criteria of Statement 3, Defining the Governmental Reporting Entity, issued by the National Council on Governmental Accounting, to various public benefit corporations and authorities to determine the propriety of including their financial activities in the financial statements.

Public benefit corporations and authorities are public, corporate entities created by the State under enabling legislation to carry on a specific function outside the regular structure of government and are not operating departments of the State. They are legal entities which may incur debt, own property, and have the power to finance their activities by means of user charges. The powers of a corporation or authority generally are vested in its governing board. The Governor, with the approval of the State Senate, appoints the members of the Board of most major corporations and either the Governor or the board selects the Chairman and chief operating officer. Corporations and authorities are not subject to the State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations generally submit annual reports to the Governor, the Legislature and the Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The Comptroller has the authority to conduct financial examinations and audits of the corporations and authorities.

Based on the application of the criteria set forth in Statement 3, the following public benefit corporations and authorities fall within the definition and requirements of Statement 3 and Statement 1:

Hackensack Meadowlands Development Commission
New Jersey Building Authority
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority

(F) REPORTING ENTITY (Continued)

New Jersey Expressway Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Highway Authority
New Jersey Housing Finance Agency
New Jersey Mortgage Finance Agency
New Jersey Pinelands Commission
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Turnpike Authority
New Jersey Water Supply Authority
Rutgers, The State University of New Jersey
South Jersey Port Corporation
University of Medicine and Dentistry of New Jersey

The financial activities of these public benefit corporations and authorities have not been included in the financial statements. The reasons for exclusion of their activities from the financial statements include difference in fiscal years, lack of current audited or interim financial statements, differences related to basis of accounting and inherent difficulties involved in combining information contained in financial reports of entities conducting dissimilar operations.

Joint Ventures

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose, such as contracting for and maintaining an interstate bridge or tunnel, and/or an international airport. Pursuant to current professional standards, the State does not record its equity in joint ventures. The most significant joint ventures in which the State of New Jersey participates are:

Delaware River Basin Commission
Delaware River and Bay Authority
Delaware River Joint Toll Bridge Commission
Delaware River Port Authority
Port Authority of New York and New Jersey

(G) OTHER

Other significant accounting practices are described in Notes 2 to 14.

NOTE 2 - CHANGES IN ACCOUNTING POLICY

State Lottery Fund

Obligations and the related investment for future installment payments of lottery prizes due beyond one year from the balance sheet date were previously recorded at face value in the Long Term Obligations Account Group and the current portion as an asset and liability in the State Lottery Fund.

Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Beginning in fiscal year 1983, no liability for future payments will be recorded in either the State Lottery Fund or the Long Term Obligations Account Group. Purchases of deposit fund contracts will be recorded as an expenditure in the State Lottery Fund in the year of purchase. An agency fund has been established to record the deposit fund contracts and related liabilities at present value. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments.

NOTE 2 - CHANGES IN ACCOUNTING POLICY (Continued)

Reclassifications

For the year ended June 30, 1983, the following funds, which were previously recorded as Trust and Agency Funds, were reclassified as Special Revenue Funds:

- Beaches and Harbor Fund
- Boarding House Rental Assistance Fund
- Clean Waters Fund
- Emergency Flood Control Fund
- Hazardous Discharge Fund
- Housing Assistance Fund
- Medical Education Facilities Fund
- Mortgage Assistance Fund
- Natural Resources Fund
- State Land Acquisition and Development Fund
- State Recreation and Conservation Land Acquisition Fund
- State Recreation and Conservation Land Acquisition and Development Fund
- State Water Development Fund
- Water Conservation Fund
- Water Supply Fund

NOTE 3 - CASH

Cash transactions of the Casino Control, Casino Revenue, Gubernatorial Elections and Property Tax Relief Funds are made through and by the General Fund cash accounts. The balances of cash for these funds held in the General Fund, after receipt and disbursement transactions, are accounted for and reflected in the respective Due From or Due To accounts on the Balance Sheets. All other Special Revenue Funds maintain individual bank accounts.

Negative book balances of $ 3.4 million representing a managed overdraft have been reclassified and are included in the accounts payable balance.

NOTE 4 - INVESTMENTS

The Casino Control, Casino Revenue, Gubernatorial Elections and Property Tax Relief Funds do not maintain separate investment accounts. Since cash transactions are handled by and through the General Fund as described in Note 3, any available cash balances for these funds reside in the General Fund and are combined with other balances for either participation in the State of New Jersey Cash Management Fund or direct investment as part of the General Fund large scale investment program. Except for the Casino Revenue Fund, investment earnings accrue to the General Fund.

The following funds participate in the State of New Jersey Cash Management Fund:

Fund	Amount (Millions)
Beaches and Harbor Fund	$ 8.7
Boarding House Rental Assistance Fund	.9
Clean Waters Fund	13.8
Emergency Flood Control Fund	9.0
Mortgage Assistance Fund	.7
Natural Resources Fund	9.2
Spill Compensation Fund	30.6
Sanitary Landfill Fund	8.4
State Land Acquisition and Development Fund	33.2
State Lottery Fund	31.1
State Recreation and Conservation Land Acquisition Fund	3.6

NOTE 4 - INVESTMENTS (Continued)

Fund	(Millions)
State Recreation and Conservation Land Acquisition and Development Fund	30.2
State Recycling Fund	6.0
State Water Development fund	.7
Unemployment Compensation Auxiliary Fund	13.4
Water Conservation Fund	7.8
Water Supply Fund	3.1

The value of the Cash Management Fund as well as the investments of the Medical Education Facilities Fund at the balance sheet date approximate market value.

NOTE 5 - RECEIVABLES

Tax receivables include amounts for Gross Income Tax and Emergency Transportation Tax which were substantially collected within the one-month period subsequent to the fiscal year end.

Taxes and Departmental accounts receivable include amounts which were substantially collected within the one-month period subsequent to June 30. Amounts included in these receivables but not collected within the one-month period subsequent to June 30 are deemed to be collectible and therefore no allowance for doubtful accounts is necessary.

Loan receivables include loans to qualifying municipalities for the purpose of improving their sewage treatment lines. Also included are financial assistance loans to qualified housing developments and mortgagees for mortgage assistance and construction, rehabilitation and maintenance of housing projects.

Federal Government receivables include amounts due to the State Department of Environmental Protection for use in acquiring, developing, and rehabilitating lands for recreation and conservation purposes.

Other receivables are as follows:

Clean Waters Fund - $57 thousand is shown net of an allowance for doubtful accounts of $13.0 million. It represents amounts due from local municipalities for charges incurred in providing emergency water supply projects.

New Jersey Spill Compensation Fund - $178 thousand is shown net of an allowance for doubtful accounts of $42.6 million. These are primarily claims and penalties against responsible violators.

State Lottery Fund - $17.1 million represents funds due from banks for ticket sales.

Unemployment Compensation Auxiliary Fund - $2.4 million represents interest and penalties due from employers and is reflected net of an allowance for doubtful accounts in the amount of $16.1 million.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables are referred to respectively as Due From Other Funds and Due To Other Funds on the Balance Sheet. A summary of interfund receivables and payables for the Special Revenue Funds at June 30, 1983 is shown below.

	Due From Other Funds (Millions)	Due To Other Funds (Millions)
Cash Management Fund	$210.5	$ --
General Fund	48.3	145.4
Totals	$258.8	$ 145.4

Investment earnings on certain funds are transferred to the General Fund.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable balances of $35.2 million as of June 30, 1983 include lottery prize awards ($15.2 million) and amounts due for goods and services ($20.0 million).

NOTE 8 - OTHER LIABILITIES

Other liabilities of $6.2 million at June 30, 1983 in the Property Tax Relief Fund include revenue refunds payable ($5.0 million) to taxpayers. These liabilities were liquidated within the one-month period subsequent to fiscal year end. The remaining balance of $1.2 million represents revenue refunds used to pay debts of individuals in connection with the State's Offset of Individual Liability program (SOIL). These amounts were subsequently paid to various State departments in satisfaction of amounts due those departments by the taxpayers.

Other liabilities of $9.4 million for the Transportation Fund represent estimates of tax refunds payable. Other liabilities of $.8 million for the Water Conservation Fund represent amounts due to local municipalities.

NOTE 9 - FUND BALANCES

The deficit fund balance in the Casino Control Fund results from expenditures in excess of revenues. Pursuant to N.J.A.C. 19:41-9.1, an assessment to the casino industry was made in the amount of $2.4 million and payment is due by December 31, 1983.

The deficit fund balance of $.8 million in the Gubernatorial Elections Fund is the result of an advance by the General Fund to finance election expenditures. Designated revenues to repay this balance are expected to be realized in fiscal year 1984.

NOTE 10 - ACCUMULATED UNPAID SICK AND VACATION BENEFITS

At June 30, 1983, unpaid vacation was not in excess of a normal year's accumulation. Accumulation of unused sick time is accounted for in the General Fund.

NOTE 11 - UNISSUED BONDS

The various Bond Acts related to Special Revenue Funds have authorized the sale of State general obligation bonds in the amount of $1,724.4 million to June 30, 1983. Of that amount $1,277.1 million have been appropriated and $977.4 million have been issued and sold.

Unissued bonds in the amount of $747.0 million are of the following funds:

FUND	Amount (Millions)
Beaches and Harbor Fund	$ 8.0
Clean Waters Fund	9.0
Emergency Flood Control Fund	11.0
Hazardous Discharge Fund	100.0
Natural Resources Fund	115.0
State Land Acquisition and Development Fund	105.0
State Recreation and Conservation Land Acquisition and Development Fund	5.0
Water Conservation Fund	47.0
Water Supply Fund	347.0
	$747.0

Debt Service on issued bonds is paid by the General Fund.

NOTE 12 - EMPLOYEE BENEFIT COSTS

Fringe benefit costs which include pension, health benefits, payroll taxes, and amounts for unused sick leave are originally paid by the General Fund and charged to the Casino Control and State Lottery Funds using a composite fringe benefit rate.

NOTE 13 - REALTY LEASE COMMITMENTS

The State has entered into a lease agreement with Mercer County Improvement Authority whereby the Authority would issue its obligations to finance the cost of purchasing and leasing certain property to the State for use as a tax processing building. This has been capitalized and is included in the Long Term Obligations Account Group.

Under the lease agreement, the State has agreed to pay the Authority an annual rental equal to the debt service on the outstanding bonds, plus payments due in lieu of real estate taxes. The lease term coincides with the amortization of the bonds, whereby the last payment is made in 1993. Total lease obligation for this building, which is subject to yearly appropriations by the State legislature, amounted to approximately $2.4 million as of June 30, 1983. A substantial amount of the annual $266,000 lease payment is charged to the Property Tax Relief Fund.

NOTE 14 - INTEREST

Pursuant to the Annual Appropriations Act, the General Fund charges interest to the Casino Control Fund for disbursements made in excess of receipts collected. The interest rate is equal to the month-end New York Federal Reserve Discount Rate charged to banks. During fiscal year 1983 the interest rate varied from 8.5% to 11.5% and the interest charged to the Casino Control Fund amounted to $360,381. For fiscal year 1982 the interest rate charged varied from 12% to 14% and the amount charged for fiscal year 1982 amounted to $68,000.

Pursuant to P.L. 1982, chapter 26, the Casino Revenue Fund was credited with $2.7 million, representing investment earnings on funds held and invested by the General Fund.

NOTE 15 - CONTINGENT LIABILITIES/OTHER MATTERS

Claims totaling $3.6 million have been filed against the New Jersey Spill Compensation Fund by third parties for damages caused by spills.

Various claims totalling approximately $12 million have been filed against the Sanitary Landfill Facility Contingency Fund for closure costs or property damage and loss of income.

The State has filed suit in the amount of $7.5 million plus interest to recover monies due the Water Conservation Fund from planning loans for sewerage construction projects.

The ultimate disposition of these claims cannot be determined at this time.

The Casino Control Fund is involved in a number of legal actions wherein there is potential for either a loss of revenue or unanticipated expenditure. The exact amount involved in these legal proceedings is not fully determinable as of June 30, 1983. The major item of litigation concerns a special assessment of $8.0 million imposed by the Casino Control Commission upon 20 casinos in operation or with applications pending as of July 1, 1980.

This special assessment has been challenged in the New Jersey Superior Court, Appellate Division. It is anticipated that a court decision will be rendered by June 30, 1984. The ultimate disposition of the matter cannot be predicted.

NOTE 16 - SUBSEQUENT EVENT

Emergency Transportation Tax (ETT)

The U. S. Supreme Court ruled that the commuter transportation tax imposed on New York residents who travel to jobs in New Jersey is unconstitutional. The court ruled that the tax could remain in place until January 1, 1984.

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
DESCRIPTION OF FUNDS

BEACHES AND HARBOR FUND (P.L. 1977, c.208)

An amount of $30,000,000 was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

BOARDING HOUSE RENTAL ASSISTANCE FUND (P.L. 1981, c.515)

The purpose of this Fund is to finance life safety improvement loans by the Housing Finance Agency for the benefit of residents of boarding homes; and to provide a source of repayment for such life safety improvement loans.

CASINO CONTROL FUND (N.J.S.A. 54:12-143)

The Casino Control Fund accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

CASINO REVENUE FUND (N.J.S.A. 54:12-145)

The Casino Revenue Fund accounts for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations, less the total sums paid out as winnings to patrons and a deduction for uncollectible gaming receivables. Appropriations from this fund must be used for reductions in property taxes, utility charges and other specified expenses of eligible senior citizens.

CLEAN WATERS FUND (P.L. 1976, c.92)

An amount of $120,000,000 was authorized to research, plan, acquire, develop, construct, and maintain water supply and waste water treatment facilities.

EMERGENCY FLOOD CONTROL FUND (P.L. 1978, c.78)

An amount of $25,000,000 was authorized to acquire, develop, construct, and maintain flood control facilities and for the development of a comprehensive flood control master plan.

GUBERNATORIAL ELECTIONS FUND (N.J.S.A. 54A:9-25.1)

The Gubernatorial Elections Fund accounts for receipts from the one dollar designation on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

HAZARDOUS DISCHARGE FUND (P.L. 1981, c.275)

An amount of $100,000,000 was authorized for identification and clean-up and removal of hazardous discharges. Earnings from the investments shall be paid to the General Fund.

HOUSING ASSISTANCE FUND (P.L. 1968, c.127)

An amount of $12,500,000 was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing; also, to provide financial assistance to qualified housing developments, constructed, financed, or rehabilitated under Federal law and moderate income financing programs.

MEDICAL EDUCATION FACILITIES FUND (P.L. 1977, c.235)

An amount of $120,000,000 was authorized to refinance revenue bonds issued in 1974 by the New Jersey Health Care Facilities Financing Authority, so as to reduce interest costs for the construction of the teaching hospital at the University of Medicine and Dentistry of New Jersey. Such authorization also provided substantial savings ($25 million) which are available for the construction of other medical facilities.

MORTGAGE ASSISTANCE FUND (P.L. 1976, c.94)

An amount of $25,000,000 was authorized for mortgage assistance and to spur construction, rehabilitation, and maintenance of housing for senior citizens and families of low and moderate income, and to provide funds for second mortgages and for a neighborhood preservation program.

NATURAL RESOURCES FUND (P.L. 1980, c.70)

An amount of $145,000,000 was authorized to fund State and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

NEW JERSEY SPILL COMPENSATION FUND (N.J.S.A. 58:10-23.11i)

Receipts from taxes and penalties levied upon each owner or operator of a major facility of hazardous substances are deposited in this Fund. The tax is measured by the number of barrels of hazardous substances of the first transfer to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

PROPERTY TAX RELIEF FUND (N.J.S.A. 54A:9-25)

The Property Tax Relief Fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.

SANITARY LANDFILL FACILITY CONTINGENCY FUND (P.L. 1981, c.306)

Receipts from taxes and penalties levied upon each owner or operator of every sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of solids and per gallon of liquids. The fund shall be liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill.

STATE LAND ACQUISITION AND DEVELOPMENT FUND (P.L. 1978, c.118)

An amount of $200,000,000 was authorized for State and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

STATE LOTTERY FUND (N.J.S.A. 5:9-21)

This fund includes the moneys from the sale of state lottery tickets. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets or shares and for administrative expenses of the Division of State Lottery. The balance of funds are paid over to the General Fund in support of the amounts annually appropriated for state institutions and for education.

STATE RECREATION AND CONSERVATION LAND ACQUISITION FUND (P.L. 1971, c.165)

An amount of $80,000,000 was authorized to enable the State to acquire lands and to provide for State grants to assist municipalities and counties and other units of local government to acquire lands for recreation and conservation purposes.

STATE RECREATION AND CONSERVATION LAND ACQUISITION AND DEVELOPMENT FUND (P.L. 1974, c.102)

An amount of $200,000,000 was authorized to enable the State to acquire and develop lands and to provide for State grants to assist municipalities and counties and other units of local governments to acquire and develop lands for recreation and conservation purposes.

STATE RECYCLING FUND (P.L. 1981, c.278)

Receipts from taxes and penalties levied upon each owner or operator of a sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of all solid waste accepted for disposal at the facility. Grants are made to seek solutions to energy, environmental and economic problems.

STATE WATER DEVELOPMENT FUND (P.L. 1958, c.35)

An amount of $45,850,000 was authorized to conduct research, acquire, construct, and develop water supplies for potable, industrial, irrigational, and other purposes.

TRANSPORTATION BENEFIT FUND (N.J.S.A. 54:8A-106)

Pursuant to P.L. 1976, chapter 126, an agreement was made with the State of Pennsylvania that each state would collect income tax on compensation from its own citizens effective January , 1978. Except for miscellaneous tax receipts and refunds to taxpayers of prior years, this fund is now inactive.

TRANSPORTATION FUND (N.J.S.A. 54:18A-20)

Receipts of taxes from the Emergency Transportation Tax Act are credited to this Fund. Such tax is on the income of New Jersey residents derived from sources within a "critical area state" other than New Jersey, and on the income of residents of another "critical area state" derived from sources within New Jersey. The critical area state was determined by the Commissioner of Transportation to be New York. Each taxpayer subject to the Emergency Transportation Tax Act, is required to compute the tax due the State for both the Emergency Transportation Tax and the New Jersey Gross Income Tax, and to pay the greater tax due, which is credited hereto. The amount applicable to the tax, as calculated for the New Jersey Gross Income Tax, is first allocated and transferred to the Property Tax Relief Fund and reported by the State under the revenues of the Gross Income Tax in the Property Tax Relief Fund of the General Treasury. The funds are used to improve transportation and transportation facilities in the critical areas covered by the Act.

UNEMPLOYMENT COMPENSATION AUXILIARY FUND (N.J.S.A. 43:21-14g)

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this Fund.

Payments from the fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program (WIN), authorized training programs, and economic development activities

WATER CONSERVATION FUND (P.L. 1969, c.127)

An amount $271,000,000 was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and waste water treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

WATER SUPPLY FUND (P.L. 1981, c.261)

An amount of $350,000,000 was authorized to provide loans for State or local projects for the rehabilitation, repair or consolidation of antiquated, damaged or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan. Earnings from the investments shall be paid into the General Fund.

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long term debt principal and interest. Amounts provided by the General Fund are deposited with banks that serve as paying agents.

LEGISLATIVE SERVICES COMMISSION

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State of New Jersey

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JAMES J. DOLAN
STATE AUDITOR

December 21, 1983

TO: Honorable Thomas H. Kean
Governor of New Jersey

Honorable Carmen A. Orechio
President of the Senate

Honorable Alan J. Karcher
Speaker of the General Assembly

Mr. Samuel A. Alito
Executive Director
Office of Legislative Services

Gentlemen:

We have examined the balance sheet of the Debt Service Fund of the State of New Jersey as of June 30, 1983 and 1982, and the related statement of revenues, expenditures, and changes in fund balances for the year ended June 30, 1983. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances except as noted below.

The financial statements presented are for the Debt Service Fund only, and are not intended to present fairly the financial position of the State of New Jersey, or results of operations for the years then ended in conformity with generally accepted accounting principles. The attached statements do not report on the General Fund, Special Revenue Funds, Capital Projects Funds, and General Long-Term Obligations Account Group on which the State Auditor renders opinions. Also not included in these statements are the Trust and Agency Funds and Fixed Asset Account Group which have not been examined by the State Auditor.

As more fully discussed in Note 1C, the financial activities applicable to the Debt Service Fund of the public benefit corporations and authorities for which the State of New Jersey have oversight responsibility have not been included in the financial statements as required by generally accepted accounting principles.

As discussed in Note 2 of the financial statements, during Fiscal Year 1983 the State changed its accounting policy to recognize as paid the outstanding coupons and bonds for which the fiscal agent presented indemnification in lieu of physical evidence. The State has restated its Fiscal Year 1982 financial statements to conform with this change.

In our opinion, except for the effect of excluding the debt service funds of public benefit corporations and authorities as set forth in the preceding paragraph, the accompanying statements present fairly the financial position of the Debt Service Fund as of June 30, 1983 and 1982, and the results of operations and changes in financial position for the year ended June 30, 1983, in conformity with generally accepted accounting principles applied on a consistent basis, after restatement for the change referred to in the preceding paragraph.

The examination was performed and this report is submitted pursuant to the State Auditor's audit responsibilities as set forth in Article VII, Section 1.6 of the State Constitution and N.J.S.A. 52:24-4, Legislative Services Law of 1978.

Respectfully submitted,

James J Dolan

James J. Dolan
State Auditor

STATE OF NEW JERSEY
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 1983 AND JUNE 30, 1982

ASSETS	1983	1982
CASH		
Cash with fiscal agent (Note 2)	$ 6,217,064	$ 3,712,658
Total Assets	$ 6,217,064	$ 3,712,658

LIABILITIES AND FUND BALANCES	1983	1982
LIABILITIES		
Matured interest payable (Note 2)	$ 4,645,064	$ 3,275,658
Matured bonds payable (Note 2)	1,572,000	437,000
Total Liabilities	6,217,064	3,712,658
FUND BALANCES		
Designated for debt service	--	--
Total Fund Balances	--	--
Total Liabilities and Fund Balances	$ 6,217,064	$ 3,712,658

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 1983 AND JUNE 30, 1982

	1983	1982
OTHER INCREASES		
Transfers from other funds	$ 238,922,870	$ 185,628,105
Total Other Increases	238,922,870	185,628,105
EXPENDITURES		
Debt Service		
Principal	107,590,000	92,875,000
Interest	131,332,870	110,167,230
Total Expenditures	238,922,870	203,042,230
Net Increase (Decrease) in Fund Balances for the year	--	(17,414,125)
FUND BALANCES JULY 1 (Note 5)	--	17,414,125
FUND BALANCES JUNE 30	$ --	$ --

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) FUND ACCOUNTING

The National Council on Governmental Accounting in its publication entitled Statement 1 - Governmental Accounting and Financial Reporting Principles defines a fund as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. These statements reflect financial reporting practices in accordance with that definition.

Debt Service Fund:

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Amounts provided by the General Fund are deposited with banks that serve as paying agents.

(B) BASIS OF ACCOUNTING

The accounting policies of the Debt Service Fund follow a modified accrual basis. Under this basis, revenues are recorded as received in cash except for those revenues susceptible to accrual.

Expenditures for principal and interest on general obligation long-term debt are recognized as expenditures when due.

(C) REPORTING ENTITY

The State has applied the criteria of Statement 3, Defining the Governmental Reporting Entity, issued by the National Council on Governmental Accounting to various public benefit corporations and authorities to determine the propriety of including their financial activities in the financial statements.

Public benefit corporations and authorities are public, corporate entities created by the State under enabling legislation to carry on a specific function outside the regular structure of government and are not operating departments of the State. They are legal entities which may incur debt, own property, and have the power to finance their activities by means of user charges. The powers of a corporation or authority generally are vested in its governing board. The Governor, with the approval of the State Senate, appoints the members of the Board of most major corporations and either the Governor or the board selects the Chairman and chief operating officer. Corporations and authorities are not subject to the State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations generally submit annual reports to the Governor, the Legislature and the Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The Comptroller has the authority to conduct financial examinations and audits of the corporations and authorities.

Based on the application of the criteria set forth in Statement 3, the following public benefit corporations and authorities fall within the definition and requirements of Statement 3 and Statement 1:

Hackensack Meadowlands Development Commission
New Jersey Building Authority
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Expressway Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Highway Authority
New Jersey Housing Finance Agency
New Jersey Mortgage Finance Agency

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) REPORTING ENTITY (Continued)

New Jersey Pinelands Commission
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Turnpike Authority
New Jersey Water Supply Authority
Rutgers, The State University of New Jersey
South Jersey Port Corporation
University of Medicine and Dentistry of New Jersey

The financial activities of these public benefit corporations and authorities have not been included in the financial statements. The reasons for exclusion of their activities from the financial statements include difference in fiscal years, lack of current audited or interim financial statements, differences related to basis of accounting and inherent difficulties involved in combining information contained in financial reports of entities conducting dissimilar operations.

Joint Ventures

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose, such as contracting for and maintaining an interstate bridge or tunnel, and/or an international airport. Pursuant to current professional standards, the State does not record its equity in joint ventures. The most significant joint ventures in which the State of New Jersey participates are:

Delaware River Basin Commission
Delaware River and Bay Authority
Delaware River Joint Toll Bridge Commission
Delaware River Port Authority
Port Authority of New York and New Jersey

(D) OTHER

Other significant accounting policies are described in Notes 2 through 5.

NOTE 2 - CHANGE IN ACCOUNTING POLICY

In prior fiscal years the State considered interest and principal as paid by the fiscal agent upon receipt of the cancelled coupons and bonds. Certain items, which were reported as paid by the fiscal agent, were considered outstanding because physical evidence of payment had not been received.

During fiscal year 1983, the State changed its accounting policy to recognize as paid those outstanding coupons and bonds for which the fiscal agent presented indemnification of loss of the physical evidence. The effect of the change is to reduce assets and liabilities as follows:

	Decreases	
	1983	1982
Cash with fiscal agent	$ 2,068,290	$ 1,407,841
Matured interest payable	193,290	747,841
Matured bonds payable	1,875,000	660,000

For comparative purposes the June 30, 1982, balance sheet has been restated to reflect this change in accounting policy.

NOTE 3 - PROJECTION OF INTEREST AND PRINCIPAL TO MATURITY

A summary of debt service requirements to be provided by the General Fund on outstanding bonds as of June 30, 1983 to maturity is as follows:

Fiscal Year	Interest	Principal
1984	$ 150,930,346	$ 115,595,000
1985	142,447,070	131,750,000
1986	133,877,055	133,255,000
1987	125,472,655	132,010,000
1988	116,913,240	132,915,000
1989-1993	456,536,310	619,330,000
1994-1998	255,414,190	541,800,000
1999-2003	87,671,684	373,575,000
2004-2008	6,543,092	46,625,000
	$ 1,475,805,642	$ 2,226,855,000

NOTE 4 - DEBT SERVICE ACCOUNTS

The Accounts which comprise this Fund are established based upon the following bond acts:

Beaches and Harbors (1977)
Clean Waters (1976)
Community Development (1982)
Correctional Facilities Construction (1982)
Emergency Flood Control (1978)
Energy Conservation (1980)
Farmland Preservation (1981)
Hazardous Discharge (1981)
Higher Education Construction (1971)
Highway Improvement (1930)
Institutional Construction (1978)
Institutions Construction (1976)
Medical Education Facilities (1977)
Natural Resources (1980)
New Jersey Institutions Construction (1964)
Public Building Construction (1968)
Public Purpose Buildings Construction (1980)
State Facilities for Handicapped (1973)
State Higher Education (1959)
State Higher Education Construction (1964)
State Housing Assistance (1968)
State Institution Construction (1960)
State Land Acquisition and Development (1978)
State Mortgage Assistance (1976)
State Recreation and Conservation Land Acquisition (1961)
State Recreation and Conservation Land Acquisition (1971)
State Recreation and Conservation Land Acquisition
and Development (1974)
State Transportation (1968)
Transportation Rehabilitation and Improvement (1979)
Water Conservation (1969)
Water Development (1958)
Water Supply (1981)

NOTE 5 - APPROPRIATIONS

Debt Service payments due July 1, 1981 were appropriated as part of the fiscal year 1981 Appropriations Act. This resulted in a Fund Balance as of July 1,1981, in the amount of $17,414,125 consisting of $7,000,000 for principal and $10,414,125 for interest.

Debt Service payments due July 1, 1982 were appropriated as part of the fiscal year 1983 Appropriations Act and, therefore, there was no corresponding amount available in the Debt Service Fund as of July 1,1982.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities for State use. Funds granted to other units of government for capital facilities are not classified as Capital Projects Funds and are included as expenditures of Special Revenue Funds.

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State of New Jersey

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JAMES J. DOLAN
STATE AUDITOR

December 21, 1983

TO: Honorable Thomas H. Kean
Governor of New Jersey

Honorable Carmen A. Orechio
President of the Senate

Honorable Alan J. Karcher
Speaker of the General Assembly

Mr. Samuel A. Alito
Executive Director
Office of Legislative Services

Gentlemen:

We have examined the combining balance sheet of the Capital Projects Funds of the State of New Jersey as of June 30, 1983 and the related combining statement of revenues, expenditures, and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances except as noted below.

Our examination was limited to those funds reported by the State Treasurer as Capital Projects Funds. Our review did not include those funds, if any, which may also be Capital Projects Funds, but which in accordance with New Jersey accounting policy were reported in other fund classifications.

The financial statements presented are for the Capital Projects Funds only and are not intended to present fairly the financial position of the State of New Jersey, or results of operations for the year then ended in conformity with generally accepted accounting principles. The attached statements do not report on the General Fund, Special Revenue Funds, Debt Service Funds, and General Long-Term Obligations Account Group on which the State Auditor renders opinions. Also not included in these statements are the Trust and Agency Funds and Fixed Asset Account Group which have not been examined by the State Auditor.

As more fully discussed in Note 1E, the financial activities applicable to the Capital Projects Funds of the public benefit corporations and authorities for which the State of New Jersey has oversight responsibility have not been included in the financial statements as required by generally accepted accounting principles.

In our opinion, except for the limitation of testing and the effect of not including the capital projects funds of public benefit corporations and authorities as set forth in the preceding paragraphs, the accompanying statements present fairly the financial position of the Capital Projects Funds as of June 30, 1983, and the results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year.

The examination was performed and this report is submitted pursuant to the State Auditor's audit responsibilities as set forth in Article VII, Section 1.6 of the State Constitution, and N.J.S.A. 52:24-4, Legislative Services Law of 1978.

Respectfully submitted,

James J Dolan

James J. Dolan
State Auditor

STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1983

	Correctional Facilities Construction Fund	Energy Conservation Fund	Higher Education Buildings Construction Fund
ASSETS			
CASH			
Demand accounts (Note 2)	$ 606	$ --	$ 662
RECEIVABLES			
Federal government (Note 3)	--	--	--
OTHER ASSETS			
Due from other funds (Note 4)	49,754,141	7,610,384	2,272,096
Total Assets	$ 49,754,747	$ 7,610,384	$ 2,272,758
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 407,357	$ 243,401	$ 79,960
Due to other funds (Note 6)	540,641	394,952	119,982
Total Liabilities	947,998	638,353	199,942
FUND BALANCES			
Reserved for encumbrances	3,482,622	961,075	936,282
Unreserved			
Designated for continuing appropriations	75,324,127	23,021,972	1,136,534
Undesignated (Note 7)	(30,000,000)	(17,011,016)	--
Total Fund Balances	48,806,749	6,972,031	2,072,816
Total Liabilities and Fund Balances	$ 49,754,747	$ 7,610,384	$ 2,272,758

The accompanying notes are an integral part of the financial statements.

Institutional Construction Fund	Institutions Construction Fund	Public Buildings Construction Fund	Public Purpose Buildings Construction Fund	State Facilities for Handicapped Fund	State 1964 Institution Construction Fund
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
8,911,457	6,235,965	978,787	27,426,365	7,535,869	537
$ 8,911,457	$ 6,235,965	$ 978,787	$ 27,426,365	$ 7,535,869	$ 537
$ 315,321	$ 163,101	$ 33,277	$ 2,038,950	$ 625,631	$ --
440,022	357,662	55,975	1,089,717	--	537
755,343	520,763	89,252	3,128,667	625,631	537
2,455,703	1,510,589	478,626	13,065,837	3,774,421	--
5,700,411	4,204,613	410,909	75,211,104	3,135,817	--
--	--	--	(63,979,243)	--	--
8,156,114	5,715,202	889,535	24,297,698	6,910,238	--
$ 8,911,457	$ 6,235,965	$ 978,787	$ 27,426,365	$ 7,535,869	$ 537

STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1983

	State Transportation Fund	Transportation Rehabilitation and Improvement Fund	Total Capital Projects Funds
ASSETS			
CASH			
Demand accounts (Note 2)	$ --	$ --	$ 1,268
RECEIVABLES			
Federal government (Note 3)	1,583,878	23,645,000	25,228,878
OTHER ASSETS			
Due from other funds (Note 4)	13,767,750	100,992,913	225,486,264
Total Assets	$ 15,351,628	$ 124,637,913	$ 250,716,410
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 3,788,749	$ 24,769,122	$ 32,464,869
Due to other funds (Note 6)	685,800	3,140,762	6,826,050
Total Liabilities	4,474,549	27,909,884	39,290,919
FUND BALANCES			
Reserved for encumbrances	2,363,959	99,881,857	128,910,971
Unreserved			
Designated for continuing appropriations	8,513,120	167,346,172	364,004,779
Undesignated (Note 7)	--	(170,500,000)	(281,490,259)
Total Fund Balances	10,877,079	96,728,029	211,425,491
Total Liabilities and Fund Balances	$ 15,351,628	$ 124,637,913	$ 250,716,410

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	Correctional Facilities Construction Fund	Energy Conservation Fund	Higher Education Buildings Construction Fund
REVENUES			
Federal and other grants	$ --	$ --	$ --
Other	45,139	--	--
Total Revenues	45,139	--	--
OTHER INCREASES			
Transfers from other funds (Note 4)	495,502	806,969	251,495
Proceeds from sale of bonds	49,237,500	--	--
Total Other Increases	49,733,002	806,969	251,495
Total Revenues and Other Increases	49,778,141	806,969	251,495
EXPENDITURES			
Public safety and criminal justice	430,751	--	--
Educational, cultural and intellectual development	--	--	590,620
Community development and environmental management	--	1,410,534	--
Transportation services	--	--	--
Total Expenditures	430,751	1,410,534	590,620
OTHER DECREASES			
Transfers to other funds	540,641	806,969	251,495
Total Other Decreases	540,641	806,969	251,495
Total Expenditures and Other Decreases	971,392	2,217,503	842,115
Net Increase (Decrease) in Fund Balances for the Year	48,806,749	(1,410,534)	(590,620)
FUND BALANCES - JULY 1, 1982	--	8,382,565	2,663,436
FUND BALANCES - JUNE 30, 1983	$ 48,806,749	$ 6,972,031	$ 2,072,816

The accompanying notes are an integral part of the financial statements.

Institutional Construction Fund	Institutions Construction Fund	Public Buildings Construction Fund	Public Purpose Buildings Construction Fund	State Facilities for Handicapped Fund	State 1964 Institution Construction Fund
$ --	$ --	$ --	$ --	$ --	$ --
33,496	18,483	--	1,805,337	--	--
33,496	18,483	--	1,805,337	--	--
712,323	537,691	155,255	1,511,357	961,559	537
13,000,000	6,000,000	--	37,000,000	--	--
13,712,323	6,537,691	155,255	38,511,357	961,559	537
13,745,819	6,556,174	155,255	40,316,694	961,559	537
--	--	--	--	--	--
--	--	--	--	6,064,792	--
13,286,416	5,340,303	1,488,776	26,960,330	--	2,155
--	--	--	--	--	--
13,286,416	5,340,303	1,488,776	26,960,330	6,064,792	2,155
745,819	556,174	155,255	1,592,548	--	537
745,819	556,174	155,255	1,592,548	--	537
14,032,235	5,896,477	1,644,031	28,552,878	6,064,792	2,692
(286,416)	659,697	(1,488,776)	11,763,816	(5,103,233)	(2,155)
8,442,530	5,055,505	2,378,311	12,533,882	12,013,471	2,155
$ 8,156,114	$ 5,715,202	$ 889,535	$ 24,297,698	$ 6,910,238	$ --

STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	State Transportation Fund	Transportation Rehabilitation and Improvement Fund	Total Capital Projects Funds
REVENUES			
Federal and other grants	$ 20,806,167	$ 146,496,390	$ 167,302,557
Other	62,848	298,016	2,263,319
Total Revenues	20,869,015	146,794,406	169,565,876
OTHER INCREASES			
Transfers from other funds (Note 4)	1,457,094	4,671,403	11,561,185
Proceeds from sale of bonds	--	130,000,000	235,237,500
Total Other Increases	1,457,094	134,671,403	246,798,685
Total Revenues and Other Increases	22,326,109	281,465,809	416,364,561
EXPENDITURES			
Public safety and criminal justice	--	--	430,751
Educational, cultural and intellectual development	--	--	6,655,412
Community development and environmental management	--	--	48,488,514
Transportation services	25,930,938	226,766,509	252,697,447
Total Expenditures	25,930,938	226,766,509	308,272,124
OTHER DECREASES			
Transfers to other funds	1,519,942	4,969,419	11,138,799
Total Other Decreases	1,519,942	4,969,419	11,138,799
Total Expenditures and Other Decreases	27,450,880	231,735,928	319,410,923
Net Increase (Decrease) in Fund Balances for the Year	(5,124,771)	49,729,881	96,953,638
FUND BALANCES - July 1, 1982	16,001,850	46,998,148	114,471,853
FUND BALANCES - JUNE 30, 1983	$ 10,877,079	$ 96,728,029	$ 211,425,491

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) FUND ACCOUNTING

The National Council on Governmental Accounting, in its publication entitled Statement 1 - Governmental Accounting and Financial Reporting Principles, defines a fund as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives or in accordance with special regulations, restrictions, or limitations. These statements reflect financial reporting practices in accordance with that definition.

Capital Projects Funds:

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities for State use. Funds granted to other units of government for facilities are not classified as Capital Projects Funds and are included as expenditures of Special Revenue Funds. The State Land Acquisition and Development Fund, State Recreation and Conservation Land Acquisition Fund, and State Recreation and Conservation Land Acquisition and Development Fund, which have been classified as Special Revenue Funds, and the Transportation Rehabilitation and Improvement Fund, which is classified as a Capital Project Fund, include funds both for capital facilities for State use and for grants to other units of governments. See the "Description of Funds" for description of the individual Capital Projects Funds included in these statements.

(B) BASIS OF ACCOUNTING

The accounting policies of the Capital Projects Funds follow a modified accrual basis. Under this basis, revenues are recorded as received in cash except for:

(a) Those revenues susceptible to accrual (measurable and available) which include federal revenues.

Expenditures are recorded on an accrual basis except for disbursements for prepaid expenses, inventory items and fixed assets, all of which are considered expenditures at the time of purchase. Encumbrances are recorded up through July 31, 1983, and those outstanding at year end represent the estimated expenditure to result on unperformed contracts for goods or services, which are reported as a reserve for encumbrances in the Fund Balance section of the Balance Sheet.

(C) FUND BALANCES

The fund balance of Capital Projects Funds consists of:

(a) Reserved for encumbrances-used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.

(b) Unreserved-Designated for continuing appropriations-used to represent that portion of the fund balance available to finance expenditures of the subsequent period.

(c) Unreserved-Undesignated-used to represent that portion of fund balance resources available for appropriation.

(D) FIXED ASSETS

The State owns extensive fixed assets consisting of: (1) land, (2) office buildings, hospitals, educational facilities, etc., (3) equipment used in construction, data processing, hospitals, offices, etc. Since the Capital Projects Funds are accounted for on a spending or financial flow measurement focus, only current assets and current liabilities are included in the balance sheet. Fixed assets are therefore recorded as expenditures at the time of acquisition and are not included as assets of the Capital Projects Funds.

(E) REPORTING ENTITY

The State has applied the criteria of Statement 3, Defining the Governmental Reporting Entity, issued by the National Council on Governmental Accounting, to various public benefit corporations and authorities to determine the propriety of including their financial activities in the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) REPORTING ENTITY (Continued)

Public benefit corporations and authorities are public, corporate entities created by the State under enabling legislation to carry on a specific function outside the regular structure of government and are not operating departments of the State. They are legal entities which may incur debt, own property, and have the power to finance their activities by means of user charges. The powers of a corporation or authority generally are vested in its governing board. The Governor, with the approval of the State Senate, appoints the members of the Board of most major corporations and either the Governor or the board selects the Chairman and chief operating officer. Corporations and authorities are not subject to the State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations generally submit annual reports to the Governor, the Legislature and the Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The Comptroller has the authority to conduct financial examinations and audits of the corporations and authorities.

Based on the application of the criteria set forth in Statement 3, the following public benefit corporations and authorities fall within the definition and requirements of Statement 3 and Statement 1:

Hackensack Meadowlands Development Commission
New Jersey Building Authority
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Expressway Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Highway Authority
New Jersey Housing Finance Agency
New Jersey Mortgage Finance Agency
New Jersey Pinelands Commission
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Turnpike Authority
New Jersey Water Supply Authority
Rutgers, The State University of New Jersey
South Jersey Port Corporation
University of Medicine and Dentistry of New Jersey

The financial activities of these public benefit corporations and authorities have not been included in the financial statements. The reasons for exclusion of their activities from the financial statements include differences in fiscal years, lack of current audited or interim financial statements, differences related to basis of accounting and inherent difficulties involved in combining information contained in financial reports of entities conducting dissimilar operations.

Joint Ventures

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose, such as contracting for and maintaining an interstate bridge or tunnel, and/or an international airport. Pursuant to current professional standards, the State does not record its equity in joint ventures. The most significant joint ventures in which the State of New Jersey participates are:

Delaware River Basin Commission
Delaware River and Bay Authority
Delaware River Joint Toll Bridge Commission
Delaware River Port Authority
Port Authority of New York and New Jersey

NOTE 2 - CASH

Negative book balances of $7.0 million representing a managed overdraft have been reclassified and are included in the accounts payable balance.

NOTE 3 - DUE FROM FEDERAL GOVERNMENT

Amounts due from the Federal government include $2.1 million of earned but unbilled reimbursements which require technical adjustment prior to submission.

NOTE 4 - DUE FROM OTHER FUNDS

This account reflects the Capital Projects Funds' participation in the New Jersey Cash Management Fund wherein amounts also contributed by other funds and local governments are combined into a large scale short-term investment program. The value of the Cash Management Fund at the balance sheet date approximates market value.

NOTE 5 - UNISSUED BONDS

The various Bond Acts related to Capital Projects Funds have authorized the sale of State general obligation bonds in the amount of $2,241.5 million to June 30, 1983. Of that amount $2,100.5 million has been appropriated and $1,819.0 million has been issued and sold.

Unissued bonds in the amount of $422.5 million are of the following funds:

FUND	Amount (Millions)
Correctional Facilities Construction Fund	$120.0
Energy Conservation Fund	40.0
Public Purpose Buildings Construction Fund	92.0
Transportation Rehabilitation and Improvement Fund	170.5
	$422.5

Debt Service on issued bonds is paid by the General Fund.

NOTE 6 - DUE TO OTHER FUNDS

Amounts in this account principally represent investment earnings of Capital Projects Funds which are payable to the General Fund.

NOTE 7 - FUND BALANCES

Negative Undesignated Fund Balances of certain Capital Projects Funds result from legislative acts appropriating amounts from a designated fund prior to the sale of bonds. Such legislative acts permit the encumbrance of such amounts up to the total amount authorized by each act.

NOTE 8 - CONTINGENT LIABILITIES

Claims totaling $2.5 million have been filed against the 1979 Transportation Rehabilitation and Improvement Fund. The ultimate disposition of these claims cannot be determined at this time.

STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
DESCRIPTION OF FUNDS

CORRECTIONAL FACILITIES CONSTRUCTION FUND (P.L. 1982, c.120)

An amount of $170,000,000 was authorized for construction of new medium security prisons, a program of county assistance and renovations and modifications to existing State facilities.

ENERGY CONSERVATION FUND (P.L. 1980, c. 68)

An amount of $50,000,000 was authorized, of which $3,000,000 is for energy audits and $47,000,000 is for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

HIGHER EDUCATION BUILDINGS CONSTRUCTION FUND (P.L. 1971, c. 164)

An amount of $155,000,000 was authorized for the acquisition, construction, reconstruction, development, improvement, and equipment for State institutions of higher education and for county colleges.

INSTITUTIONAL CONSTRUCTION FUND (P.L. 1978, c.79)

An amount of $100,000,000 was authorized to construct or rehabilitate facilities for the mentally retarded in concert with the federal program for Intermediate Care Facilities/Mentally Retarded (ICF/MR) and the construction or rehabilitation of mental health and correctional facilities. In addition, funds were used for a library for the blind and handicapped and a forensic laboratory for the State Medical Examiner.

INSTITUTIONS CONSTRUCTION FUND (P.L. 1976, c. 93)

An amount of $80,000,000 was authorized to provide safe and humane facilities at institutions for the mentally ill, mentally retarded, and incarcerated through construction of new facilities or rehabilitation and improvement of existing facilities.

PUBLIC BUILDINGS CONSTRUCTION FUND (P.L. 1968, c. 128)

An amount of $337,500,000 was authorized for construction, reconstruction, development, extension, and equipping of public buildings for State institutions, higher education, including State and county colleges, vocational education, and for a statewide television and radio network.

PUBLIC PURPOSE BUILDINGS CONSTRUCTION FUND (P.L. 1980, c. 119)

An amount of $159,000,000 was authorized for construction of public purpose buildings, including $50,000,000 for facilities for the mentally retarded, $67,000,000 for correctional facilities, $7,000,000 for a veterans' long-term care facility, $3,500,000 for facilities for children in need of supervision, and $21,500,000 for facilities for the mentally ill.

$10,000,000 of the proceeds from the sale of bonds was authorized to be segregated and held aside for guarantees providing that the moneys shall be pledged as security for the obligation.

STATE FACILITIES FOR HANDICAPPED FUND (P.L. 1973, c. 149)

An amount of $25,000,000 was authorized for expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

STATE 1964 INSTITUTION CONSTRUCTION FUND (P.L. 1964, c. 144)

An amount of $50,000,000 was authorized for construction of or renovations to State mental, charitable, hospital, relief, training, and correctional institutional buildings.

STATE TRANSPORTATION FUND (P.L. 1968, c. 126)

An amount of $640,000,000 was authorized to improve the State public transportation system. Of this amount, $200,000,000 was reserved for mass transportation facilities; the balance was reserved for the improvement of State highways.

TRANSPORTATION REHABILITATION AND IMPROVEMENT FUND OF 1979 (P.L. 1979, c. 165)

An amount of $475,000,000 was authorized to provide an improved transportation system for the State. Of this amount, $150,000,000 was reserved for the improvement of public transportation facilities; $80,000,000 was reserved for the improvement of county and municipal roads; and $245,000,000 was reserved for the improvement of State highways.

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1983

	Common Pension Fund "A"	Common Pension Fund "B"	Disability Benefit Liability Fund
ASSETS			
CASH			
Demand accounts	$ --	$ 41,015	$ 449,343
INVESTMENTS	2,252,127,137	3,202,231,927	--
RECEIVABLES			
Taxes	--	--	--
Federal government	--	--	--
Loans	--	--	--
Other	--	--	197,094
OTHER ASSETS			
Due from other funds	22,130,869	54,130,366	2,140,687
Total Assets	$ 2,274,258,006	$ 3,256,403,308	$ 2,787,124
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 3,545,283	$ --	$ --
Due to other funds	--	--	2,539,573
Other	2,270,712,723	3,256,403,308	--
Total Liabilities	2,274,258,006	3,256,403,308	2,539,573
FUND BALANCES			
Reserved for encumbrances	--	--	--
Reserved for non-current resources	--	--	--
Unreserved			
Designated for continuing appropriations	--	--	--
Undesignated	--	--	247,551
Total Fund Balances	--	--	247,551
Total Liabilities and Fund Balances	$ 2,274,258,006	$ 3,256,403,308	$ 2,787,124

Emergency Services Fund	Farmland Preservation Fund	General Trust Fund	Higher Education Assistant Fund	Luxury Tax Fund
$ 137	$ --	$ 59	$ --	$ 936
--	--	--	--	--
--	--	--	--	1,153,834
--	--	--	10,723,810	--
--	--	--	10,891,219	--
--	--	--	--	--
2,104,755	2,021,847	4,705	19,765,311	13,334,339
$ 2,104,892	$ 2,021,847	$ 4,764	$ 41,380,340	$ 14,489,109
$ --	$ --	$ 4,764	$ 2,460,973	$ --
--	21,847	--	--	--
--	--	--	10,551,915	--
--	21,847	4,764	13,012,888	--
--	--	--	--	--
--	--	--	10,891,885	--
--	10,000,000	--	--	--
2,104,892	(8,000,000)	--	17,475,567	14,489,109
2,104,892	2,000,000	--	28,367,452	14,489,109
$ 2,104,892	$ 2,021,847	$ 4,764	$ 41,380,340	$ 14,489,109

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1983

	Motor Vehichle Liability Security Fund	Motor Vehicle Security Responsibility Fund	Mutual Workers' Compensation Security Fund
ASSETS			
CASH			
Demand accounts	$ 9,977	$ 8,088	$ 6,171
INVESTMENTS	1,218,024	--	2,705,776
RECEIVABLES			
Taxes	--	--	--
Federal government	--	--	--
Loans	--	--	--
Other	176,268	--	2,739,104
OTHER ASSETS			
Due from other funds	8,254,700	380,573	3,456,283
Total Assets	$ 9,658,969	$ 388,661	$ 8,907,334
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 177,529	$ 349,244	$ --
Due to other funds	--	39,417	--
Other	--	--	--
Total Liabilities	177,529	388,661	--
FUND BALANCES			
Reserved for encumbrances	--	--	2,695,415
Reserved for non-current resources	--	--	--
Unreserved			
Designated for continuing appropriations	--	--	--
Undesignated	9,481,440	--	6,211,919
Total Fund Balances	9,481,440	--	8,907,334
Total Liabilities and Fund Balances	$ 9,658,969	$ 388,661	$ 8,907,334

New Home Warranty Security Fund	NJ Federal-State Rural Rehabilitation Fund	New Jersey Insurance Development Fund	Outstanding Checks Account	Real Estate Guaranty Fund
$ --	$ --	$ 326	$ 2,733	$ 5,026
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	3,623	--	--	--
--	--	--	--	--
6,640,774	465,250	6,206,336	5,833,787	839,719
$ 6,640,774	$ 468,873	$ 6,206,662	$ 5,836,520	$ 844,745
$ 18,823	$ 4,537	$ --	$ 4,748,032	$ 1,497
1,071,929	--	--	1,088,488	--
--	--	--	--	--
1,090,752	4,537	--	5,836,520	1,497
--	(561)	--	--	(1,528)
--	3,623	--	--	--
--	--	--	--	31
5,550,022	461,274	6,206,662	--	844,745
5,550,022	464,336	6,206,662	--	843,248
$ 6,640,774	$ 468,873	$ 6,206,662	$ 5,836,520	$ 844,745

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1983

	Rutgers Medical School-Restricted Fund	School Building Aid Capital Reserve Fund	School Fund
ASSETS			
CASH			
Demand accounts	$ 3,477	$ 2	$ 2,507,358
INVESTMENTS	--	--	31,160,951
RECEIVABLES			
Taxes	--	--	--
Federal government	--	--	--
Loans	--	--	--
Other	--	--	447,429
OTHER ASSETS			
Due from other funds	3,299,192	3,479,065	10,888,969
Total Assets	$ 3,302,669	$ 3,479,067	$ 45,004,707
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ --	$ 3,479,067	$ 31,769
Due to other funds	--	--	3,673,875
Other	--	--	218,851
Total Liabilities	--	3,479,067	3,924,495
FUND BALANCES			
Reserved for encumbrances	--	--	--
Reserved for non-current resources	--	--	16,987,571
Unreserved			
Designated for continuing appropriations	--	--	--
Undesignated	3,302,669	--	24,092,641
Total Fund Balances	3,302,669	--	41,080,212
Total Liabilities and Fund Balances	$ 3,302,669	$ 3,479,067	$ 45,004,707

State Disability Benefit Fund	State Lottery Agency Fund	State of New Jersey Cash Management Fund	State of New Jersey-Tischler Memorial Fund	Stock Workers' Compensation Security Fund
$ 119,188	$ --	$ 31,113,951	$ 35	$ 608
33,673,051	60,037,797	2,478,516,832	341,890	17,890,696
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
96,445	--	6,240,469	9,235	441,925
116,478,631	--	--	136,807	23,362,158
$ 150,367,315	$ 60,037,797	$ 2,515,871,252	$ 487,967	$ 41,695,387
$ --	$ 60,037,797	$ --	$ 497	$ --
4,031,189	--	1,205,493,898	--	--
--	--	1,308,930,398	--	--
4,031,189	60,037,797	2,514,424,296	497	--
--	--	--	(497)	38,402
--	--	--	549,067	--
--	--	--	(61,100)	--
146,336,126	--	1,446,956	--	41,656,985
146,336,126	--	1,446,956	487,470	41,695,387
$ 150,367,315	$ 60,037,797	$ 2,515,871,252	$ 487,967	$ 41,695,387

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1983

	Unclaimed Bank Deposits Escheat Reserve Fund	Unclaimed Domestic Life Insurance Escheat Reserve Fund	Unclaimed Personal Property Trust Fund
ASSETS			
CASH			
Demand accounts	$ 291	$ 5,582	$ 71,687
INVESTMENTS	--	--	--
RECEIVABLES			
Taxes	--	--	--
Federal government	--	--	--
Loans	--	--	1,294,700
Other	--	--	--
OTHER ASSETS			
Due from other funds	6,830,346	1,677,050	10,665,324
Total Assets	$ 6,830,637	$ 1,682,632	$ 12,031,711
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ --	$ --	$ --
Due to other funds	1,532,106	538,316	2,620,295
Other	--	--	--
Total Liabilities	1,532,106	538,316	2,620,295
FUND BALANCES			
Reserved for encumbrances	--	--	--
Reserved for non-current resources	--	--	1,294,700
Unreserved			
Designated for continuing appropriations	--	--	--
Undesignated	5,298,531	1,144,316	8,116,716
Total Fund Balances	5,298,531	1,144,316	9,411,416
Total Liabilities and Fund Balances	$ 6,830,637	$ 1,682,632	$ 12,031,711

Unemployment Benefits Liability Fund	Unemployment Compensation Fund	University of Medicine and Dentistry of New Jersey Construction Grant Fund	University of Medicine and Dentistry of New Jersey Endowment Fund	University of Medicine and Dentistry of New Jersey Endowment Fund "B"
$ 652,178	$ 8,150,696	$ 3,210	$ 6,911	$ --
--	--	--	102,069	5,619,242
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
197,094	104,613,309	--	4,457	27,330
1,896,528	3,526,900	1,600,965	181,467	511,310
$ 2,745,800	$ 116,290,905	$ 1,604,175	$ 294,904	$ 6,157,882
$ --	$ 438,510,235	$ --	$ --	$ 68,399
4,820,972	--	--	--	--
--	--	--	--	--
4,820,972	438,510,235	--	--	68,399
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(2,075,172)	(322,219,330)	1,604,175	294,904	6,089,483
(2,075,172)	(322,219,330)	1,604,175	294,904	6,089,483
$ 2,745,800	$ 116,290,905	$ 1,604,175	$ 294,904	$ 6,157,882

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1983

	University of Medicine and Dentistry of New Jersey Grant Fund	University of Medicine and Dentistry of New Jersey Grant Fund "B"	University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund
ASSETS			
CASH			
Demand accounts	$ 35	$ 2,057	$ 978
INVESTMENTS	296,223	--	5,420,447
RECEIVABLES			
Taxes	--	--	--
Federal government	--	--	--
Loans	--	--	--
Other	3,788	--	78,979
OTHER ASSETS			
Due from other funds	76,334	1,497,921	6,421,299
Total Assets	$ 376,380	$ 1,499,978	$ 11,921,703
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ --	$ --	$ --
Due to other funds	--	--	--
Other	--	--	--
Total Liabilities	--	--	--
FUND BALANCES			
Reserved for encumbrances	--	--	--
Reserved for non-current resources	--	--	--
Unreserved			
Designated for continuing appropriations	--	--	--
Undesignated	376,380	1,499,978	11,921,703
Total Fund Balances	376,380	1,499,978	11,921,703
Total Liabilities and Fund Balances	$ 376,380	$ 1,499,978	$ 11,921,703

Unsatisfied Claim and Judgment Fund	Veterans' Guaranteed Loan Fund	Total Trust and Agency Funds
$ --	$ 442	$ 43,162,497
3,995,749	--	8,095,337,811
--	--	1,153,834
--	--	10,723,810
--	--	12,189,542
10,132,537	--	125,405,463
56,856,026	77,627	397,174,220
$ 70,984,312	$ 78,069	$ 8,685,147,177
$ 317,057	$ --	$ 513,755,503
640,126	--	1,228,112,031
--	--	6,846,817,195
957,183	--	8,588,684,729
--	--	2,731,231
9,955,396	--	39,682,242
--	--	9,938,931
60,071,733	78,069	44,110,044
70,027,129	78,069	96,462,448
$ 70,984,312	$ 78,069	$ 8,685,147,177

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	Common Pension Fund "A"	Common Pension Fund "B"	Disability Benefit Liability Fund
REVENUES			
Taxes	$ --	$ --	$ 3,201,344
Federal and other grants	--	--	2,916,750
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	201,676,728	256,710,369	--
Other	--	--	--
Total Revenues	201,676,728	256,710,369	6,118,094
OTHER INCREASES			
Transfers from other funds	5,256,193	8,209,467	129,249
Proceeds from the sale of bonds	--	--	--
Other	--	--	--
Total Other Increases	5,256,193	8,209,467	129,249
Total Revenues and Other Increases	206,932,921	264,919,836	6,247,343
EXPENDITURES			
Public safety and criminal justice	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic development and income protection	206,932,921	264,919,836	--
Government direction, management and control	--	--	--
Total Expenditures	206,932,921	264,919,836	--
OTHER DECREASES			
Transfers to other funds	--	--	6,577,810
Other	--	--	--
Total Other Decreases	--	--	6,577,810
Total Expenditures and Other Decreases	206,932,921	264,919,836	6,577,810
Net Increase (Decrease) in Fund Balances for the Year	--	--	(330,467)
FUND BALANCES - JULY 1, 1982	--	--	578,018
FUND BALANCES - JUNE 30, 1983	$ --	$ --	$ 247,551

Emergency Services Fund	Farmland Preservation Fund	Higher Education Assistance Fund	Luxury Tax Fund	Motor Vehicle Liability Security Fund
$ --	$ --	$ --	$ --	$ --
--	--	3,094,665	--	--
--	--	2,837,926	--	--
--	--	--	11,260,666	--
--	--	--	77,103	75,503
--	1,791	798,657	--	--
--	1,791	6,731,248	11,337,769	75,503
192,052	20,056	1,613,950	595,510	727,097
--	2,000,000	--	--	--
--	--	298,058	--	--
192,052	2,020,056	1,912,008	595,510	727,097
192,052	2,021,847	8,643,256	11,933,279	802,600
--	--	--	--	--
--	--	3,109,988	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	3,109,988	--	--
--	21,847	--	--	--
--	--	412,599	--	--
--	21,847	412,599	--	--
--	21,847	3,522,587	--	--
192,052	2,000,000	5,120,669	11,933,279	802,600
1,912,840	--	23,246,783	2,555,830	8,678,840
$ 2,104,892	$ 2,000,000	$ 28,367,452	$ 14,489,109	$ 9,481,440

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	Motor Vehicle Security Responsibility Fund	Mutual Workers' Compensation Security Fund	New Home Warranty Security Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	394,117
Services and assessments	--	--	2,091,535
Investment earnings	--	278,210	--
Other	--	--	54,192
Total Revenues	--	278,210	2,539,844
OTHER INCREASES			
Transfers from other funds	39,417	213,482	533,822
Proceeds from the sale of bonds	--	--	--
Other	--	--	--
Total Other Increases	39,417	213,482	533,822
Total Revenues and Other Increases	39,417	491,692	3,073,666
EXPENDITURES			
Public safety and criminal justice	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic development and income protection	--	--	399,754
Government direction, management and control	--	--	--
Total Expenditures	--	--	399,754
OTHER DECREASES			
Transfers to other funds	39,417	--	1,071,929
Other	--	--	--
Total Other Decreases	39,417	--	1,071,929
Total Expenditures and Other Decreases	39,417	--	1,471,683
Net Increase (Decrease) in Fund Balances for the Year	--	491,692	1,601,983
FUND BALANCES - JULY 1, 1982	--	8,415,642	3,948,039
FUND BALANCES - JUNE 30, 1983	$ --	$ 8,907,334	$ 5,550,022

NJ Federal-State Rural Rehabilitation Fund	New Jersey Insurance Development Fund	Outstanding Checks Account	Real Estate Guaranty Fund	Rutgers Medical School Restricted Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	1,112,883
--	--	--	37,170	--
--	13,932,393	--	--	--
--	--	--	--	121,119
4,165	--	--	--	--
4,165	13,932,393	--	37,170	1,234,002
40,345	693,958	570,318	80,416	264,530
--	--	--	--	--
--	--	1,247,775	--	--
40,345	693,958	1,818,093	80,416	264,530
44,510	14,626,351	1,818,093	117,586	1,498,532
--	14,083,116	--	--	--
--	--	--	--	--
47,416	--	--	--	--
--	--	--	117,385	--
--	--	--	--	--
47,416	14,083,116	--	117,385	--
--	--	1,818,093	--	--
--	--	--	--	1,226,948
--	--	1,818,093	--	1,226,948
47,416	14,083,116	1,818,093	117,385	1,226,948
(2,906)	543,235	--	201	271,584
467,242	5,663,427	--	843,047	3,031,085
$ 464,336	$ 6,206,662	$ --	$ 843,248	$ 3,302,669

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	School Building Aid Capital Reserve Fund	School Fund	State Disability Benefit Fund
REVENUES			
Taxes	$ --	$ --	$ 158,720,108
Federal and other grants	--	2,775,182	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	--	2,842,116	4,296,430
Other	--	--	--
Total Revenues	--	5,617,298	163,016,538
OTHER INCREASES			
Transfers from other funds	348,245	831,759	14,795,998
Proceeds from the sale of bonds	--	--	--
Other	--	--	--
Total Other Increases	348,245	831,759	14,795,998
Total Revenues and Other Increases	348,245	6,449,057	177,812,536
EXPENDITURES			
Public safety and criminal justice	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic development and income protection	--	--	146,049,575
Government direction, management and control	--	--	--
Total Expenditures	--	--	146,049,575
OTHER DECREASES			
Transfers to other funds	--	3,673,875	12,321,307
Other	348,245	--	--
Total Other Decreases	348,245	3,673,875	12,321,307
Total Expenditures and Other Decreases	348,245	3,673,875	158,370,882
Net Increase (Decrease) in Fund Balances for the Year	--	2,775,182	19,441,654
FUND BALANCES - JULY 1, 1982	--	38,305,030	126,894,472
FUND BALANCES - JUNE 30, 1983	$ --	$ 41,080,212	$ 146,336,126

State of New Jersey Cash Management Fund	State of New Jersey-Tischler Memorial Fund	Stock Workers' Compensation Security Fund	Unclaimed Bank Deposits Escheat Reserve Fund	Unclaimed Domestic Life Insurance Escheat Reserve Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
179,873,236	29,809	1,727,350	--	--
--	--	--	2,042,808	692,551
179,873,236	29,809	1,727,350	2,042,808	692,551
--	17,053	1,813,666	521,546	128,007
--	--	--	--	--
--	--	--	--	--
--	17,053	1,813,666	521,546	128,007
179,873,236	46,862	3,541,016	2,564,354	820,558
--	--	--	--	--
--	98,229	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	335,275	15,657
--	98,229	--	335,275	15,657
65,371,277	--	--	1,532,106	538,316
114,066,109	--	--	--	--
179,437,386	--	--	1,532,106	538,316
179,437,386	98,229	--	1,867,381	553,973
435,850	(51,367)	3,541,016	696,973	266,585
1,011,106	538,837	38,154,371	4,601,558	877,731
$ 1,446,956	$ 487,470	$ 41,695,387	$ 5,298,531	$ 1,144,316

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	Unclaimed Personal Property Trust Fund	Umemployment Benefits Liability Fund	Unemployment Compensation Fund
REVENUES			
Taxes	$ --	$ 3,143,445	$ 767,211,968
Federal and other grants	--	4,807,285	251,840,962
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	--	--	--
Other	3,571,046	--	--
Total Revenues	3,571,046	7,950,730	1,019,052,930
OTHER INCREASES			
Transfers from other funds	810,420	114,371	10,791,604
Proceeds from the sale of bonds	--	--	--
Other	--	--	95,485,413
Total Other Increases	810,420	114,371	106,277,017
Total Revenues and Other Increases	4,381,466	8,065,101	1,125,329,947
EXPENDITURES			
Public safety and criminal justice	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic development and income protection	--	--	1,019,040,347
Government direction, management and control	358,153	--	--
Total Expenditures	358,153	--	1,019,040,347
OTHER DECREASES			
Transfers to other funds	2,620,295	12,085,676	--
Other	--	--	3,184,000
Total Other Decreases	2,620,295	12,085,676	3,184,000
Total Expenditures and Other Decreases	2,978,448	12,085,676	1,022,224,347
Net Increase (Decrease) in Fund Balances for the Year	1,403,018	(4,020,575)	103,105,600
FUND BALANCES - JULY 1, 1982	8,008,398	1,945,403	(425,324,930)
FUND BALANCES - JUNE 30, 1983	$ 9,411,416	$ (2,075,172)	$ (322,219,330)

University of Medicine and Dentistry of New Jersey Construction Grant Fund	University of Medicine and Dentistry of New Jersey Endowment Fund	University of Medicine and Dentistry of New Jersey Endowment Fund "B"	University of Medicine and Dentistry of New Jersey Grant Fund	University of Medicine and Dentistry of New Jersey Grant Fund "B"
$ --	$ --	$ --	$ --	$ --
--	--	--	--	1,311,099
--	--	--	--	--
--	--	--	--	--
60,202	19,530	485,929	22,516	87,844
--	--	--	--	--
60,202	19,530	485,929	22,516	1,398,943
105,663	14,682	49,223	7,522	147,598
--	--	--	--	--
--	--	--	--	--
105,663	14,682	49,223	7,522	147,598
165,865	34,212	535,152	30,038	1,546,541
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,100	36,638	530,523	34,342	1,533,275
1,100	36,638	530,523	34,342	1,533,275
1,100	36,638	530,523	34,342	1,533,275
164,765	(2,426)	4,629	(4,304)	13,266
1,439,410	297,330	6,084,854	380,684	1,486,712
$ 1,604,175	$ 294,904	$ 6,089,483	$ 376,380	$ 1,499,978

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund	Unsatisfied Claim and Judgment Fund
REVENUES		
Taxes	$ --	$ --
Federal and other grants	1,902,695	--
Licenses and fees	--	10,405
Services and assessments	--	38,457,248
Investment earnings	950,546	1,389,240
Other	--	407,015
Total Revenues	2,853,241	40,263,908
OTHER INCREASES		
Transfers from other funds	357,651	2,497,508
Proceeds from the sale of bonds	--	--
Other	--	--
Total Other Increases	357,651	2,497,508
Total Revenues and Other Increases	3,210,892	42,761,416
EXPENDITURES		
Public safety and criminal justice	--	--
Educational, cultural and intellectual development	--	--
Community development and environmental management	--	--
Economic development and income protection	--	14,444,078
Government direction, management and control	--	--
Total Expenditures	--	14,444,078
OTHER DECREASES		
Transfers to other funds	--	640,126
Other	399,279	--
Total Other Decreases	399,279	640,126
Total Expenditures and Other Decreases	399,279	15,084,204
Net Increase (Decrease) in Fund Balances for the Year	2,811,613	27,677,212
FUND BALANCES - JULY 1, 1982	9,110,090	42,349,917
FUND BALANCES - JUNE 30, 1983	$ 11,921,703	$ 70,027,129

Veterans' Guaranteed Loan Fund	Total Trust and Agency Funds
$ --	$ 932,276,865
--	269,761,521
--	3,279,618
--	65,741,842
--	650,723,780
1,597	7,573,822
1,597	1,929,357,448
5,117	52,537,495
--	2,000,000
--	97,031,246
5,117	151,568,741
6,714	2,080,926,189
--	14,083,116
--	3,208,217
--	47,416
--	1,651,903,896
--	709,085
--	1,669,951,730
10,171	108,322,245
--	121,773,058
10,171	230,095,303
10,171	1,900,047,033
(3,457)	180,879,156
81,526	(84,416,708)
$ 78,069	$ 96,462,448

COMMON PENSION FUND "A"
COMMON PENSION FUND "B" (52:18A-90.1)

The Division of Investment is authorized to establish, maintain and operate common trust funds. Pension deposits from various funds are transferred for investment purposes to these common pension funds. Funds representing original sums plus accumulated earnings are then returned to the Division of Pensions and credited to the respective pension funds.

DISABILITY BENEFIT LIABILITY FUND (43:21-27)

This fund includes the amounts withheld from State employees' salaries for State employees' disability benefits and for the State's share of funds appropriated by the annual appropriations act, which in total are transferred to the State Disability Benefit Fund.

EMERGENCY SERVICES FUND (52:14E-5)

This fund was established in 1972 to reimburse municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

FARMLAND PRESERVATION FUND (P.L. 1981, c. 276)

An amount of $50,000,000 was authorized for the purpose of the retention and development of farmland for agricultural use and production.

GENERAL TRUST FUND (52:18-25.2b)

The principal amount of bonds and coupons unredeemed over two years are withdrawn from bank accounts and deposited in this Fund for investment. When presented for payment these overdue bonds and coupons are redeemed from this Fund.

HIGHER EDUCATION ASSISTANCE FUND (18A-72-8)

This Fund accounts for the guaranteed loans made by financial institutions to assist qualified persons in meeting the costs of higher education in certain educational institutions. Defaulted loans are purchased from the financial institutions. A direct loan program was subsequently added to the Fund activities.

LUXURY TAX FUND (P.L. 1979, c. 273 AS AMENDED)

This Fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for construction of Convention Hall facilities, debt service on bonds issued for low and moderate income housing, subsidization of Convention Center operating budget deficits and providing housing opportunities for low and moderate income families.

MOTOR VEHICLE LIABILITY SECURITY FUND (39:6-94)

Moneys credited from receipts of insurers authorized to deal in vehicle liability insurance for New Jersey motor vehicles is deposited in this fund. The Act provides for the payment of remaining benefits payable in the event of insolvency of the insurer.

MOTOR VEHICLE SECURITY-RESPONSIBILITY FUND (39:6-30.1)

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death, and/or property damage are recorded in this Fund. The deposits may be disbursed in satisfaction of judgments rendered and/or the return to motorist of such unused portion upon release of liability.

MUTUAL WORKERS' COMPENSATION SECURITY FUND
STOCK WORKERS' COMPENSATION SECURITY FUND (34:15-112 and 105)

Moneys received from assessments levied against mutual and stock insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Mutual or Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

NEW HOME WARRANTY SECURITY FUND (46:3B-7)

Moneys received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease are deposited in this Fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

NEW JERSEY FEDERAL-STATE RURAL REHABILITATION FUND

This Fund was established to receive moneys from the Federal government previously accounted for by the Department of Agriculture. The moneys are available for loans to farmers in New Jersey.

NEW JERSEY INSURANCE DEVELOPMENT FUND (17:37A-18)

Receipts derived from a surcharge on all basic property insurance premiums paid for insurance policies written in the State, collected by the insurer, and remitted to the State are deposited in this Fund. Payments from the Fund reimburse any insurer or the New Jersey Insurance Underwriting Association for losses sustained. The reimbursement in any given calendar year shall not, however, exceed 5 percent of the insurance premiums written on essential property insurance in the State in the most recent full calendar year.

OUTSTANDING CHECKS ACCOUNT (52:18-25.1)

Amounts withdrawn from State demand bank accounts, over which the State Treasurer has custody and control, which represent outstanding and unpaid checks over one year old are deposited in this Fund. These amounts are held until (a) the outstanding check is present for payment, or (b) the check is outstanding for a period of six years, in which case the amount is transferred to the General Fund.

REAL ESTATE GUARANTY FUND (45:15-34)

Moneys received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this Fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

RUTGERS MEDICAL SCHOOL--RESTRICTED FUND (52:18A-90.1)

The Division of Investment is permitted to establish, maintain, and operate one or more common trust funds. Moneys in the above Fund, formerly held and maintained by Rutgers University, were turned over to the State for investment management purposes and are returnable, together with the investment earnings, to the University.

SCHOOL BUILDING AID--CAPITAL RESERVE FUND (18:10-29.54)

This is a building aid reserve fund for each school district having funds on deposit as of September, 1975. Deposits as of that date, together with amounts credited from investment earnings to each school district, may be disbursed for: (1) principal and interest payments to holders of bonds issued by the school district after the effective date of the act, when such school district has certified to the Commissioner of Education and the Director of the Division of Local Government Services its inability to meet the payments thereof; (2) payments to the school district up to the balance of the credit of such school district, to the extent that such withdrawal is anticipated as revenue in the school district budget for the current year, or withdrawn for capital purposes authorized by ordinance or by vote of the electors of the school district.

SCHOOL FUND (18A:56-1)

This fund was formerly known as "Fund for the Support of Free Public Schools." The constitution of 1844 provided that such funds for the support of free schools remain a perpetual fund (Article VII, Section IV, Paragraph 2). The accounting for the moneys deposited and expended is recorded by the use of two funds. i.e. School Fund--Income Account, and School Fund--Investment Account.

The School Fund--Income Account consists of rents received on leased riparian lands of the State, licenses, and fees related to such lands, and the income from earnings on investment. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

The School Fund--Investment Account is utilized for the proceeds of the sale of riparian lands of the State which are held and reserved as a perpetual fund. Moneys reserved may be used to purchase bonds of a school district, issued for school purposes after December 4, 1958, from the bondholders or to pay to such bondholders the interest due thereon when such school district has certified to the Commissioner of Education and the Director of Local Government Services its inability to meet the payments.

P.L. 1980, c.72 enacted on July 16, 1980, known as the "New Jersey School Bond Reserve Act," provides for the establishment of a School Bond Reserve within the School Fund, in an amount equal to at least 1 1/2% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes, exclusive of bonds the debt service for which is provided by State appropriations.

STATE DISABILITY BENEFIT FUND (43:21-46a)

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State; and from special assessments, fines, penalties, and investment earnings are recorded in the Fund. Payments from the Fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions and for administrative expenses.

STATE LOTTERY AGENCY FUND

The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this fund.

STATE OF NEW JERSEY CASH MANAGEMENT FUND (52:18-90.4)

This is a common trust fund to consolidate moneys for investments. Various bond funds, trust funds, and agency funds are used to purchase units of value in the State of New Jersey Cash Management Fund. The law also permits participation in the fund by municipalities, counties, school districts, or any other public body corporate and politic.

STATE OF NEW JERSEY--TISCHLER MEMORIAL FUND

This Fund was established under the authority of the State Treasurer in accordance with the terms of a bequest to the State of New Jersey; the principal amount of the Fund is to be invested in a prudent manner and the income from such investment is to be used for library materials.

UNCLAIMED BANK DEPOSITS ESCHEAT RESERVE FUND (17:9-25b)

This Fund accounts for moneys received from banks located within the State, representing unclaimed balances of depositors' deposits which, after ten years, are escheatable to the State. Seventy-five percent of the receipts are escheated to the General Fund of the State. The remaining twenty-five percent is retained in the Fund. Earnings on the investment of the moneys of the Fund inure to the credit of the Fund.

Payments from the Fund are authorized for (a) payment of the seventy-five percent that escheats to the General Fund of the State; (b) payments of claims submitted and approved of the principal amounts escheated; and (c) for the payment of expenses and costs incurred by the State Treasurer and the Attorney General for administrative purposes.

UNCLAIMED DOMESTIC LIFE INSURANCE ESCHEAT RESERVE FUND (17:34-54)

This Fund accounts for any unclaimed moneys received from the insurance companies authorized to write life insurance in the State, due and payable to any person entitled and which has remained unclaimed after a five-year period. Seventy-five percent of the receipts are escheated to the General Fund. The remaining twenty-five percent, if still unclaimed, escheats to the General Fund after five additional years.

Payments from the Fund are authorized to transfer those amounts escheatable to the General Fund and for the payment of any approved claim to or in behalf of any person entitled to receive the same. Earnings on any funds invested are also authorized to be transferred to the General Fund.

UNCLAIMED PERSONAL PROPERTY TRUST FUND (2A:37-41)

Amounts received by the State from holders of personal property, presumed abandoned, due and payable to owners of last known address but unclaimed for various past successive years, are received into this Fund. Seventy-five percent of such amounts are escheated to the General Fund when received. The remaining twenty-five percent is retained in the Fund for five years. Payments from the Fund are authorized for loans by legislation as enacted by the Legislature and approved by the Governor. Payments of claims presented by the owner are made after approval by the State Treasurer. The balance of the twenty-five percent retained for the five-year period which has not been claimed by the owners is then escheatable to the General Fund. Amounts representing unclaimed pensions do not escheat to the State. Such amounts escheat back to the respective pension fund from where payable. Should any claim approved for payment exceed the balance of moneys available herein, the difference is payable out of unappropriated funds of the General Fund.

UNEMPLOYMENT BENEFITS LIABILITY FUND (43:21-7.3f)

This Fund accounts for receipts of wage earners' contributions withheld on wages subject to the Unemployment Compensation Law, paid to persons employed by the State, and the receipt of amounts appropriated to the General Fund by the Legislature and transferred hereinto as the employer's share of contributions. Payments are made directly to the Unemployment Compensation Fund of the State as reimbursements to that Fund for unemployment benefits paid to persons formerly employed by the State and eligible to receive such benefits.

UNEMPLOYMENT COMPENSATION FUND (43:21-9a)

This Fund accounts for moneys deposited from contributions of employers and employees for unemployment compensation; also, to account for amounts credited or advances made by the Federal government and amounts received herein from any other source.

UNEMPLOYMENT COMPENSATION FUND (43:21-9a) (Continued)

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-need basis, which amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by Federal statutes which authorize advances from the Federal government for unemployment benefits. Such advances are repayable by increased rates on Federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the Fund assets at any time by the Governor.

UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY CONSTRUCTION GRANT FUND
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY ENDOWMENT FUND
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY ENDOWMENT FUND "B"
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY GRANT FUND
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY GRANT FUND "B"
(52:18A-90.1)

Moneys in these funds formerly managed by the University of Medicine and Dentistry were turned over to the State for investment management purposes. The funds plus earnings are returnable to the University.

UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY--SELF-INSURANCE RESERVE FUND

This Fund is established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. Fund deposits are managed by the Division of Investment with earnings increasing the Fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the authority's bondholders.

UNSATISFIED CLAIM AND JUDGMENT FUND (39:6-63)

Receipts from insurance companies, as assessed by the Director of the Division of Motor Vehicles, recoveries of judgments entered against uninsured motorists, and amounts credited from earnings on investments are deposited in this fund.

Payments are authorized for approved claims to entitled persons resulting from bodily injury, death, and/or damage to property up to specified maximum amounts, exclusive of interest and costs. In addition, payments of no-fault benefits on hit and run and non-insured cases resulting in bodily injury caused by an accident involving a motor vehicle are likewise authorized. Payments are made for amounts of medical expense benefits which exceed the maximum allowable amount payable for medical expense coverage under the no-fault provision of the New Jersey Automobile Reparation Reform Act. Administrative expenses are also payable as are approved refunds of excess recoveries on judgments.

VETERANS' GUARANTEED LOAN FUND (38:23B-5)

This Fund accounts for funds that guarantee bank loans to certain war veterans. Upon request by the lending bank, a loan to a veteran on which principal is unpaid thirty days after date of maturity or on which installments are more than three months in arrears, together with any unpaid accrued interest, may be purchased by the Fund upon approval of the Veterans' Loan Authority. The Authority thereupon assumes the responsibility for the collection of the defaulted loan and any accrued interest thereon that has been purchased from the bank by the Fund. Receipts are applied against the principal and/or interest of the defaulted loan. Payments from the Fund are also authorized for all administrative expenses.

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

The General Long-Term Obligations Group is an account group, not a fund. An account group is concerned only with the measurement of financial position and does not involve measurement of results of operations.

LEGISLATIVE SERVICES COMMISSION

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State of New Jersey

OFFICE OF LEGISLATIVE SERVICES
DIVISION OF STATE AUDITING
STATE HOUSE ANNEX, CN-067
TRENTON, NEW JERSEY 08625
TELEPHONE (609) 292-6430

JAMES J. DOLAN
STATE AUDITOR

December 21, 1983

TO: Honorable Thomas H. Kean
Governor of New Jersey

Honorable Carmen A. Orechio
President of the Senate

Honorable Alan J. Karcher
Speaker of the General Assembly

Mr. Samuel A. Alito
Executive Director
Office of Legislative Services

Gentlemen:

We have examined the balance sheet of the General Long-Term Obligations Account Group as of June 30, 1983 and 1982, and the statement of outstanding bonds of the State of New Jersey as of June 30, 1983 and the related statement of changes in general long-term obligations for the year ended June 30, 1983. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances except as noted below.

The financial statements presented are for the General Long-Term Obligations Account Group only, and are not intended to present fairly the financial position of the State of New Jersey in conformity with generally accepted accounting principles. The attached statements do not report on the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund on which the State Auditor renders opinions. Also not included in these statements are the Trust and Agency Funds and Fixed Asset Account Group which have not been examined by the State Auditor.

As more fully discussed in Note 1D, the financial activities applicable to the General Long-Term Obligations Account Group, of the public benefit corporations and authorities for which the State of New Jersey has oversight responsibility have not been included in the financial statements as required by generally accepted accounting principles.

During Fiscal Year 1983, the State changed certain of its accounting policies. As discussed in Note 2 to the financial statements these changes include: 1) the future liability for Lottery installment prize payments is no longer recorded in the General Long-term Obligations Account Group and 2) capital lease obligations are now recorded in the General Long-Term Obligations Account Group. The State has restated its Fiscal Year 1982 financial statements to conform with these changes.

In our opinion, except for the effects of not including the General Long-Term Obligations of public benefit corporations and authorities as set forth in the preceding paragraphs, the accompanying statements present fairly the financial position of the State of New Jersey General Long-Term Obligations Account Group as of June 30, 1983 and 1982, Outstanding Bonds as of June 30, 1983 and changes in financial position for the year ended June 30, 1983, in conformity with generally accepted accounting principles applied on a consistent basis, after restatement for the changes referred to in the preceding paragraph.

The examination was performed and this report is submitted pursuant to the State Auditor's audit responsibilities as set forth in Article VII, Section 1.6 of the State Constitution, and N.J.S.A. 52:24-4, Legislative Services Law of 1978.

Respectfully submitted,

James J. Dolan

James J. Dolan
State Auditor

STATE OF NEW JERSEY
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP
BALANCE SHEET
JUNE 30, 1983 AND JUNE 30, 1982

	1983	1982
ASSETS		
INVESTMENTS (Note 2)	$ 7,014,953	$ --
OTHER ASSETS		
Amount to be provided for:		
Retirement of general obligation bonds	2,226,855,000	2,034,445,000
Payment of capital leases (Notes 2 and 4)	476,495,602	279,655,516
Total Assets	$ 2,710,365,555	$ 2,314,100,516
LIABILITIES		
Deferred compensation payable (Note 2)	$ 7,014,953	$ --
General obligation bonds payable (Note 3)	2,226,855,000	2,034,445,000
Capital leases payable (Notes 2 and 4)	476,495,602	279,655,516
Total Liabilities	$ 2,710,365,555	$ 2,314,100,516

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF OUTSTANDING BONDS
JUNE 30, 1983

	ACT OF	AUTHORIZED	UNISSUED	RETIRED	OUTSTANDING
Beaches and Harbors	1977	$ 30,000,000	$ 8,000,000	$ 400,000	$ 21,600,000
Clean Waters	1976	120,000,000	9,000,000	12,170,000	98,830,000
Community Development	1982	85,000,000	85,000,000	--	--
Correctional Facilities Construction	1982	170,000,000	120,000,000	--	50,000,000
Emergency Flood Control	1978	25,000,000	11,000,000	800,000	13,200,000
Energy Conservation	1980	50,000,000	40,000,000	1,000,000	9,000,000
Farmland Preservation	1981	50,000,000	48,000,000	--	2,000,000
Hazardous Discharge	1981	100,000,000	100,000,000	--	--
Higher Education Construction	1971	155,000,000	--	42,600,000	112,400,000
Highway Improvement	1930	58,000,000	--	56,010,000	1,990,000
Institutional Construction	1978	100,000,000	--	4,100,000	95,900,000
Institutions Construction	1976	80,000,000	--	5,890,000	74,110,000
Medical Education Facilities	1977	120,000,000	--	12,000,000	108,000,000
Natural Resources	1980	145,000,000	115,000,000	1,000,000	29,000,000
New Jersey Institutions Construction	1964	50,000,000	--	30,200,000	19,800,000
Public Building Construction	1968	337,500,000	--	117,900,000	219,600,000
Public Purpose Buildings Construction	1980	159,000,000	92,000,000	--	67,000,000
State Facilities for Handicapped	1973	25,000,000	--	8,700,000	16,300,000
State Higher Education Construction	1964	40,100,000	--	25,000,000	15,100,000
State Housing Assistance	1968	12,500,000	--	5,100,000	7,400,000
State Institution Construction	1960	40,000,000	--	32,900,000	7,100,000
State Land Acquisition and Development	1978	200,000,000	105,000,000	2,550,000	92,450,000
State Mortgage Assistance	1976	25,000,000	--	2,830,000	22,170,000
State Recreation and Conservation Land Acquisition	1961	60,000,000	--	47,800,000	12,200,000
State Recreation and Conservation Land Acquisition	1971	80,000,000	--	17,950,000	62,050,000
State Recreation and Conservation Land Acquisition and Development	1974	200,000,000	5,000,000	24,960,000	170,040,000
State Transportation	1968	640,000,000	--	201,700,000	438,300,000
Transportation Rehabilitation and Improvement	1979	475,000,000	170,500,000	4,250,000	300,250,000
Water Conservation	1969	271,000,000	47,000,000	72,435,000	151,565,000
Water Development	1958	45,850,000	--	39,350,000	6,500,000
Water Supply	1981	350,000,000	347,000,000	--	3,000,000
TOTAL		$ 4,298,950,000	$ 1,302,500,000	$ 769,595,000	$ 2,226,855,000

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ACT OF	OUTSTANDING JUNE 30, 1982 (Note 2)	ADDITIONS	DEDUCTIONS	OUTSTANDING JUNE 30, 1983
Beaches and Harbors	1977	$ 11,800,000	$ 10,000,000	$ 200,000	$ 21,600,000
Clean Waters	1976	98,060,000	5,000,000	4,230,000	98,830,000
Community Development	1982	--	--	--	--
Correctional Facilities Construction	1982	--	50,000,000	--	50,000,000
Emergency Flood Control	1978	9,600,000	4,000,000	400,000	13,200,000
Energy Conservation	1980	10,000,000	--	1,000,000	9,000,000
Farmland Preservation	1981	--	2,000,000	--	2,000,000
Hazardous Discharge	1981	--	--	--	--
Higher Education Construction	1971	118,900,000	--	6,500,000	112,400,000
Highway Improvement	1930	2,425,000	--	435,000	1,990,000
Institutional Construction	1978	86,200,000	13,000,000	3,300,000	95,900,000
Institutions Construction	1976	71,360,000	6,000,000	3,250,000	74,110,000
Medical Education Facilities	1977	112,000,000	--	4,000,000	108,000,000
Natural Resources	1980	20,000,000	10,000,000	1,000,000	29,000,000
New Jersey Institutions Construction	1964	22,800,000	--	3,000,000	19,800,000
Public Building Construction	1968	232,850,000	--	13,250,000	219,600,000
Public Purpose Buildings Construction	1980	30,000,000	37,000,000	--	67,000,000
State Facilities for Handicapped	1973	19,000,000	--	2,700,000	16,300,000
State Higher Education Construction	1964	17,900,000	--	2,800,000	15,100,000
State Housing Assistance	1968	8,000,000	--	600,000	7,400,000
State Institution Construction	1960	8,900,000	--	1,800,000	7,100,000
State Land Acquisition and Development	1978	79,600,000	15,000,000	2,150,000	92,450,000
State Mortgage Assistance	1976	22,920,000	--	750,000	22,170,000
State Recreation and Conservation Land Acquisition	1961	14,800,000	--	2,600,000	12,200,000
State Recreation and Conservation Land Acquisition	1971	64,880,000	--	2,830,000	62,050,000
State Recreation and Conservation Land Acquisition and Development	1974	161,720,000	15,000,000	6,680,000	170,040,000
State Transportation	1968	465,310,000	--	27,010,000	438,300,000
Transportation Rehabilitation and Improvement	1979	174,500,000	130,000,000	4,250,000	300,250,000
Water Conservation	1969	158,920,000	3,000,000	10,355,000	151,565,000
Water Development	1958	9,000,000	--	2,500,000	6,500,000
Water Supply	1981	3,000,000	--	--	3,000,000
Deferred Compensation (Note 2)	-	--	7,108,673	93,720	7,014,953
Capital Leases (Notes 2 and 4)	-	279,655,516	206,287,413	9,447,327	476,495,602
TOTAL		$ 2,314,100,516	$ 513,396,086	$ 117,131,047	$ 2,710,365,555

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) FUND ACCOUNTING

The National Council on Governmental Accounting in its publication entitled Statement 1 - Governmental Accounting and Financial Reporting Principles states that, except for long-term liabilities of proprietary funds, Special Assessment Funds, and Trust Funds, unmatured general long-term liabilities of the governmental unit should be accounted for through the General Long-Term Obligations Account Group. These statements reflect financial reporting practices in accordance with that definition.

General Long-Term Obligations Account Group:

There are four types of public purpose capital financings through borrowing which are done by the State of New Jersey or which the State supports through annual appropriations: (1) full faith and credit or direct debt; (2) authority financing; (3) lease agreements; and (4) state-aid for local educational financings.

These statements set forth the amounts which are supported by the State's full faith and credit or leases (item (1) and (3) above) and do not include other borrowing by authorities or local financing (item (2) and (4) above).

In addition, the General Long-Term Obligations Account Group includes the assets and associated liabilities for future payments under capital lease agreements and the assets and liabilities due to participants in the New Jersey State Employees' Deferred Compensation Plan.

(B) CONSTITUTIONAL PROVISIONS

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one percent of total appropriations for the year) unless such law shall have been submitted to the people at a general election and approved by a majority of the legally qualified voters.

(C) BASIS OF ACCOUNTING

The General Long-Term Obligations Group is an account group, not a fund. An account group is concerned only with the measurement of financial position and does not involve measurement of results of operations.

(1) GENERAL OBLIGATION BONDS

At the time of sale of general obligation serial bonds by the State, as authorized by the approved bond act, the principal amount of each series sold is recorded in an account of the General Long-Term Obligations Account Group. The recording of the long-term liability is offset with an increase to the "amount to be provided" account.

Upon enactment of the State's annual appropriations for amounts of principal to be paid to bondholders during that fiscal year, such amounts of principal as appropriated reduce both the amount to be provided and the general obligation bonds payable accounts.

(2) DEFERRED COMPENSATION

Amounts contributed by participants in the New Jersey State Employees' Deferred Compensation Plan are invested through three investment options: a fixed income fund, an equity fund, and the State of New Jersey Cash Management Fund. The asset and its associated liability reflect participant contributions plus any investment earnings and appreciation in asset values, less any distributions and administrative charges.

(3) LEASE COMMITMENTS

Obligations for future lease commitments due beyond one year from the balance sheet date are recorded at the present value of future minimum lease payments under capitalized realty and equipment lease agreements. The recording of the long-term liability is offset with an increase in the "amount to be provided" account.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) REPORTING ENTITY

The State has applied the criteria of Statement 3, Defining the Governmental Reporting Entity, issued by the National Council on Governmental Accounting, to various public benefit corporations and authorities to determine the propriety of including their financial activities in the financial statements.

Public benefit corporations and authorities are public, corporate entities created by the State under enabling legislation to carry on a specific function outside the regular structure of government and are not operating departments of the State. They are legal entities which may incur debt, own property, and have the power to finance their activities by means of user charges. The powers of a corporation or authority generally are vested in its governing board. The Governor, with the approval of the State Senate, appoints the members of the Board of most major corporations and either the Governor or the board selects the Chairman and chief operating officer. Corporations and authorities are not subject to the State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations generally submit annual reports to the Governor, the Legislature and the Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The Comptroller has the authority to conduct financial examinations and audits of the corporations and authorities.

Based on the application of the criteria set forth in Statement 3, the following public benefit corporations and authorities fall within the definition and requirements of Statement 3 and Statement 1:

Hackensack Meadowlands Development Commission
New Jersey Building Authority
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Expressway Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Highway Authority
New Jersey Housing Finance Agency
New Jersey Mortgage Finance Agency
New Jersey Pinelands Commission
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Turnpike Authority
New Jersey Water Supply Authority
Rutgers, The State University of New Jersey
South Jersey Port Corporation
University of Medicine and Dentistry of New Jersey

The financial activities of these public benefit corporations and authorities have not been included in the financial statements. The reasons for exclusion of their activities from the financial statements include differences in fiscal years, lack of current audited or interim financial statements, differences related to basis of accounting and inherent difficulties involved in combining information contained in financial reports of entities conducting dissimilar operations.

Joint Ventures

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose, such as contracting for and maintaining an interstate bridge or tunnel, and/or an international airport. Pursuant to current professional standards, the State does not record its equity in joint ventures. The most significant joint ventures in which the State of New Jersey participates are:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) REPORTING ENTITY (Continued)

Delaware River Basin Commission
Delaware River and Bay Authority
Delaware River Joint Toll Bridge Commission
Delaware River Port Authority
Port Authority of New York and New Jersey

(E) OTHER

Other significant accounting policies are described in Notes 2 through 4.

NOTE 2 - CHANGES IN ACCOUNTING POLICY

Beginning with fiscal year 1983, the designation for the account group has been changed from General Long-Term Debt Account Group to General Long-Term Obligations Account Group to more accurately reflect the account group's composition. In addition, the outstanding balance at June 30, 1982 on the statement of changes ($2,314,100,516) has been corrected to reflect the changes in accounting policy as noted in (A) and (C) below. The effect of these changes in accounting policy on the outstanding balance at June 30, 1982 is as follows:

Reported balance June 30, 1982	$2,101,604,568
ADD: Capital Leases	279,655,516
DEDUCT: Installment Prizes Payable	(67,159,568)
Corrected balance June 30, 1982	$2,314,100,516

(A) INSTALLMENT PRIZES PAYABLE

Obligations for future installment payments of lottery prizes due beyond one year from the balance sheet date were previously recorded at face value in the General Long-Term Obligations Account Group and the current portion as an asset and liability in the State Lottery Fund.

Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Beginning in fiscal year 1983, no liability for future payments will be recorded in either the State Lottery Fund or the General Long-Term Obligations Account Group. Purchases of deposit fund contracts will be recorded as an expenditure in the State Lottery Fund in the year of purchase. An agency fund has been established to record the deposit fund contracts and related liabilities at present value. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments.

To reflect this change in accounting policy, the June 30, 1982, balance outstanding on the statement of changes in general long-term obligations account group has been reduced by $67,159,568. Also, for comparative purposes, the June 30, 1982, balance sheet has been restated to exclude $67.2 million of assets and liabilities.

(B) DEFERRED COMPENSATION PLAN

In September 1982, the State of New Jersey adopted a deferred compensation plan for its eligible employees wherein the employees may defer payment of current amounts earned by them to a future date when certain circumstances are met. The deferred compensation plan has been approved by a ruling from the Internal Revenue Service. Such amounts represent a general liability of the State to its employees whose rights are equal to, but no greater than, the rights of other general creditors with respect to such amounts. Amounts contributed by employees are transmitted to an administrative agent for investment purposes. These investments together with earnings thereon and the offsetting liability for amounts due employees are recorded in the General Long-Term Obligations Account Group in the amount of $7,014,953 at June 30, 1983.

NOTE 2 - CHANGES IN ACCOUNTING POLICY (Continued)

(C) CAPITAL LEASES

All lease commitments were previously reported as operating leases. Beginning in fiscal year 1983, capital lease obligations are recorded in the General Long-Term Obligations Account Group.

To reflect this change in accounting policy, the June 30, 1982, balance outstanding on the statement of changes in general long-term obligations account group has been increased by $279,655,516. Also, for comparative purposes, the June 30, 1982, balance sheet has been restated to include $279.7 million of assets and liabilities.

NOTE 3 - PROJECTION OF PRINCIPAL PAYMENTS TO MATURITY

Amount to be provided for retirement of general obligation bonds on the balance sheet represents appropriations to be provided in the future from the General Fund.

A summary of the amount of principal to maturity to be appropriated for payments to bondholders for bonds outstanding as of June 30, 1983 is as follows:

Fiscal Year	Principal
1984	$ 115,595,000
1985	131,750,000
1986	133,255,000
1987	132,010,000
1988	132,915,000
1989-1993	619,330,000
1994-1998	541,800,000
1999-2003	373,575,000
2004-2008	46,625,000
	$ 2,226,855,000

NOTE 4 - LEASE COMMITMENTS

(A) REALTY LEASES

The State has entered into various realty lease agreements which have been identified as capital leases. The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the net minimum lease payments as of June 30, 1983.

Fiscal Year	Amount (Millions)
1984	$ 17.9
1985	38.3
1986	44.8
1987	44.1
1988	43.3
Thereafter	420.3
Total minimum lease payments	608.7
LESS: Amount representing interest	145.0
Present value of minimum lease payments	$ 463.7

Included in the above lease commitments are the following agreements considered to be significant:

(1) A lease agreement with the Mercer County Improvement Authority whereby the Authority has issued its obligations to finance the cost of construction and rental of the State Justice Complex. Under the lease agreement, the State has agreed to pay the Authority an annual rental equal to the debt service on the outstanding bonds, plus payments due in lieu of real estate taxes.

NOTE 4 - LEASE COMMITMENTS (Continued)

(A) REALTY LEASES (Continued)

(1) (Continued)

The lease term coincides with the amortization of bonds whereby the last payment is made January 2018. Upon expiration of the lease, the Authority agrees to convey to the State, the Justice Complex for a nominal sum. The present value of lease obligations for this building, which is subject to yearly appropriations by the State legislature, amounted to approximately $105.8 million as of June 30, 1983.

(2) A lease agreement with the New Jersey Building Authority for the construction and rental of four office facilities and a pest control laboratory. Pursuant to a lease and agreement between the State and the Authority, the State will make lease rental payments at times and in amounts sufficient to pay debt service on Authority Bonds, and certain administrative expenses of the Authority. The State's obligation to make lease rental payments and any other obligation of the State under the lease are subject to and dependent upon appropriations being made by the State Legislature for such purposes.

At any time prior to the expiration of the lease term, the State shall have the option to purchase the Project for a nominal sum plus an amount sufficient to provide for full payment of the bonds in conformity with the bond resolution. If such option has not been exercised prior to the end of the lease term, the title to the Project will be transferred by the Authority to the State.

At June 30, 1983, three of these five buildings were under construction with completion scheduled during fiscal year 1985. The remaining two buildings are under design with completion scheduled during fiscal year 1987. Present value of the lease obligations for these buildings amounted to approximately $157.1 million as of June 30, 1983.

(3) Various lease agreements with the New Jersey Educational Facilities Authority whereby the Authority has issued its obligations to support the construction of educational facilities for public institutions of higher education in the State of New Jersey. It is the intention of the Authority to transfer title in the assets to the State at the expiration of the leases. Present value of the lease obligations for these facilities amounted to approximately $163.4 million as of June 30, 1983.

(B) OTHER LEASES

In addition to realty leases, the State is actively involved in lease agreements for various types of equipment, e.g., data processing, photocopying, typewriters, vehicles, etc.

Future obligations for identified equipment capital leases are presented below:

Fiscal Year	Amount (Millions)
1984	$ 5.58
1985	4.34
1986	3.41
1987	1.70
1988	0.46
Thereafter	--
Total minimum lease payments	15.49
LESS: Amounts representing interest	2.57
Present value of minimum lease payments	$12.92

SUPPLEMENTAL FINANCIAL DATA

STATE OF NEW JERSEY
SUPPLEMENTARY FISCAL DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

FINANCING OF PENSIONS

Virtually all of the public employees of the State and its counties, municipalities, and political subdivisions are members of pension plans administered by the State. The State operates seven retirement plans. Public Employees' Retirement System (PERS) and Teachers' Pension and Annuity Fund (TPAF), created by acts of the State Legislature in 1920 and 1919, respectively, are the principal plans, together covering 329,925 out of the total 359,189 members covered by all State-administered plans. The other systems are Police and Firemen's Retirement System (26,888 members), Consolidated Police and Firemen's Pension Fund (21 members), State Police Retirement System (1,948 members), Judicial Retirement System (318 members), and Prison Officers' Pension Fund (89 members).

State Law regulates the administration of the pension fund systems. State law requires that all systems (except the Prison Officers' Pension Fund, which is closed to new members and whose obligations are funded from current appropriations) are subject to actuarial valuation every year and actuarial investigation every three years. Such valuations and investigations are designed to insure that these programs adequately recognize the additional costs resulting from experience or legislative changes in the benefits to be paid. As these systems are fully-funded reserve programs, any amendment increasing liabilities is met by an increase in the normal contribution as well as the establishment of an accrued liability to be financed over a period of years as specified in the amendatory statute.

State law also provides that any changes in pension fund benefits must be approved by the Legislature, and that each bill submitted to the Legislature must be accompanied by a fiscal note stating the cost of the proposal. State law provides that pension fund benefits are not subject to negotiations between the State and other public employers and the employee members of the plan.

Nearly all employees are members of contributory plans, with ten years of employment required before the benefits become vested. Upon retirement, after thirty years of service (twenty-five for policemen and firemen), members are eligible for annual pension benefits equal to one half of their average contractual or base salary for their three final or highest paid fiscal years of service. After a member has been retired for two years, he is eligible for the pension adjustment program, which provides for an adjustment in benefits. The pension adjustment program is non-contributory and adjustment payments are subject to annual appropriations by the Legislature. An adjustment has been approved by the Legislature in every year since 1958. The percentage adjustment was increased from 50% to 60% of the change in the consumer price index in 1975 and to 66 2/3% in fiscal 1982. For fiscal 1983 the adjustment equals 60% of the change in the consumer price index. The cost of the program was $68.5 million and $100.8 million in fiscal 1981 and 1982, respectively. The fiscal 1983 Appropriations Act includes $100.6 million for pension adjustment payments. All members of State-administered plans, except policeman and firemen, qualify for social security benefits in addition to the benefits of the retirement plans.

A summary of the six open funds is listed below.

	Funding Began	Date of Valuation	Accrued Benefit Liability	Book Assets
PERS	1920	3/31/81	$2,538,749,075	$2,156,883,047
TPAF	1919	3/31/81	3,282,962,811	2,744,810,101
Police & Firemen's	1944	6/30/81	1,483,922,196	1,300,365,170
Consolidated Police and Firemen's	1953	12/31/81	179,706,131	107,701,840
State Police	1965	7/01/82	174,385,647	173,407,166
Judicial	1973	7/01/82	81,934,121	28,152,607
TOTAL			$7,741,659,981	$6,511,319,931

The Division of Investment of the Department of the Treasury, which is under the independent supervision of the State Investment Council, invests the assets of the state-administered pension plans. The book value of the aggregate investments of the pension funds was $9.0 billion at June 30, 1983. The net investment earnings of pension fund assets were $497.7 million, $598.1 million, and $681.0 million for the fiscal years ended June 30, 1981, 1982, and 1983, respectively.

In PERS, the State pays the cost for state employees, while counties, municipalities, school districts, and local public agencies pay the cost for their employee members. The State, rather than local school boards, pays the employer contributions to TPAF, including the employer's share of the Social Security tax, with respect to public school teachers in the State. The other retirement systems administered by the State include the Police and Firemen's Retirement System, which is primarily established for municipal policemen and firemen. The State's participation in this system is limited to those state-employed law enforcement officers who have been permitted to enroll therein.

The State also administers the Consolidated Police and Firemen's Pension Fund, which is a system composed entirely of municipal policemen and firemen who were first employed prior to 1944. The system was established on a funded basis in 1953, with its unfunded liability to be amortized over a period of 30 years. The State pays one-third of the accrued liability of that system, even though there are no state employees who are members.

There are only state employees in the Prison Officers' Pension Fund, a system which has been closed to new members since 1960 and which now contains 89 active members. Because of its nature, the system does not lend itself to a reserve program and its obligations are being met out of current appropriations. The State maintains a State Police Retirement System which was placed on a funded basis in 1965. The State also administers the Judicial Retirement System, which was placed on a funded basis in 1973.

In addition to these defined benefit programs, the State also maintains the Alternate-Benefit Program, which is a defined contribution plan for full-time members of the faculties at Rutgers, The State University; the New Jersey Institute of Technology; the University of Medicine and Dentistry of New Jersey; and state and county colleges. This plan is underwritten by the Teachers' Insurance and Annuity Association and the College Retirement Equities Fund. The State pays a fixed rate of contribution comparable to the normal contribution which would be required in a defined-benefit program. $474 million was provided in the fiscal year 1983 Appropriations Act as the State's contribution to public retirement plans, including $101 million for pension adjustment payments.

EMPLOYEE RELATIONS

The State of New Jersey, as a public employer, is covered by the New Jersey Public Employer-Employee Relations Act, as amended, N.J.S.A. 34:13A-1, et seq., which guarantees to public employees the right to negotiate collectively through employee organizations certified or recognized as the exclusive collective negotiations representatives for units of public employees found to be appropriate for collective negotiations purposes. Of the State's approximately 78,000 (including personnel at Rutgers, The State University; the New Jersey Institute of Technology; and the University of Medicine and Dentistry of New Jersey) employees, 70,000 are represented by certified or recognized exclusive majority representatives, and are organized into 30 negotiating units. There are four units which presently represent more than 5,000 employees. The Health Care and Rehabilitation Service Unit is represented by the American Federation of State, County, and Municipal Employees and includes about 9,900 employees. The Administrative and Clerical Services Unit, the Primary Supervisory Unit, and the Professional Unit are all represented by the Communication Workers of America and include about 12,000 employees, 9,400 employees, and 10,800 employees, respectively.

The Act specifies a negotiations process which includes mediation and advisory fact finding in the event of a negotiations impasse. This process is geared to the public employer's budget submission process. Thus, unless there is a multi-year agreement in effect, negotiations begin in October and the entire process, including mediation, fact finding, and arbitration, should be completed prior to the Governor's submission of a budget to the Legislature in February of each year, so that the budget process can reflect the results of negotiations. In the event that the negotiations are not completed by the February budget submission date, a later supplemental appropriations request is made. The economic provisions of negotiated agreements generally take effect at the beginning of each fiscal year.

The State currently is in the first year of three-year agreement with 28 of the 30 negotiations units. The remaining two units have current contracts which run through June 30, 1984.

INVESTMENTS

The Division of Investment in the Department of the Treasury has the responsibility for investing eighty-eight funds, including seven pension and annuity funds. The statutes provide for an Investment Council and a Director. The Council consists of ten members, five appointed for staggered five-year terms by the Governor, and five appointed for one-year terms by the pension system.

Prior to 1950, investment was limited by law to United States government and municipal obligations. Over the years, various amendments have been made to the law which materially increased the scope of potential investment opportunities and provided a foundation for achieving a better portfolio balance and diversification. At the present time, the pension fund systems are permitted to invest in property of every nature, including bonds, mortgages and common stocks, under the prudent-man rule.

Present regulations of the State Investment Council govern all of the Division's investments and limit the authority of the Director to investment of not more than 35 per cent of the book value of any one pension fund in common stock. At June 30 ,1983, mortgages and common stocks constituted 13 per cent and 26 per cent respectively, of pension fund assets.

The book value of all securities held by the state investment funds as of June 30, 1983, was $10.9 billion, an increase of 14.9 per cent, or $1.4 billion over fiscal year 1982. Of the $10.9 billion book value of funds, the assets of the seven pension funds represent $9.0 billion book value of funds, while the remainder was in trust funds and other state funds.

The net investment earnings produced by the investments in fiscal year 1983 were $813.5 million, an increase of $44.0 million or 5.7 per cent from the prior year. The largest portion of the earnings, $681.0 million, was earned on securities held by the state-managed pension funds. These earnings enable the State to reduce its obligation to appropriate tax dollars to fund the accrued liability of the State's pension obligations. The remaining $132.5 million was earned on various state demand reserve, static, and trust funds.

Cash Management Fund

The New Jersey Cash Management Fund is an investment pool made up of assets of a number of state funds, together with deposits from "Other than State" entities, including counties, municipalities, school boards, and other eligible public entities. As of June 30, 1983, 408 "Other than State" entities were participating in the fund, and the book value of their assets totaled $354 million.

The fund provides that eligible participants can deposit and withdraw funds at any time and earn daily interest at a rate which reflects interest and amortization income of the securities in the fund. The gross daily return for the fund on an annualized basis was 9.5 per cent in fiscal year 1983, compared to 14.1 per cent in the prior year.

GENERAL LONG TERM DEBT

OVERVIEW

Bonds (the term "municipal bond" is generic and refers to all government financings, including state debt) are debt obligations issued to obtain funds for various public purposes, including the construction of a wide range of facilities such as highways, housing, mass transportation, sewer, water, parks, etc.

The two principal classifications of bonds are "general obligation" and "revenue" bonds. General obligation bonds are secured by the government's pledge of its faith, credit, and taxing power for the payment of principal and interest. Risk of financial loss is borne totally by the taxpayers. Debt issued by the State government is general obligation debt.

In contrast, revenue bonds are payable only from the revenues derived for a particular facility or class of facilities, or, in some cases, from the proceeds of a special excise or other specific revenue source. In New Jersey, revenue bonds are issued by authorities.

STATE OF NEW JERSEY
SUPPLEMENTARY FISCAL DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

There are four types of public purpose capital financings through borrowing which are done by the State of New Jersey or which the State supports through annual appropriations: (1) full faith and credit or direct debt, (2) authority financing, (3) lease agreements, and (4) state aid for local educational financings. Because of their special characteristics and the difference in the extent to which the State government is liable for the related debt service, each type of debt is discussed separately. Authorities are discussed in a separate section; the other three instruments are discussed herein.

FULL FAITH AND CREDIT DEBT

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one per cent of total appropriations for the year) unless a referendum is approved by a majority of the legally qualified voters. The debt must be authorized by law for a single object or work distinctly specified. The authorizing law also provides the ways and means, exclusive of loans, to pay the interest on the debt, and also to pay the principal within thirty-five years from the time it is contracted.

The individual bond acts also provide that the payment of principal and interest be made from revenue derived from one or more specific source, namely, the Motor Fuels Tax, the Emergency Transportation Taxes, the Alcoholic Beverage Tax, the Inheritance Tax, the Cigarette Tax, Corporation Business Taxes, the Sales Tax, and water supply facility revenues. In effect, the payment of principal and interest on state debt has first lien on these revenue sources.

As a further guarantee on the state bonds, the bond acts also state that in the event that funds appropriated are not sufficient or not available, a tax shall be levied on all real and personal property in the State to insure principal and interest payment on the bonds. Such a property tax has never had to be levied.

DEBT MARGIN

New Jersey's debt margin would be calculated in accordance with the limits established by the State Constitution, as discussed above. It should be noted that, at no time since the adoption of that Constitution, has it been necessary to invoke that clause. Instead, long-term debt has been incurred only as a result of positive general election results on the various bond referenda put before the voters. For discussion purposes, the legal debt margin as defined by the State Constitution is illustrated below for the past ten fiscal years:

Fiscal Year	Total General Fund Appropriations*	Debt Margin Calculation
1983	$ 4,639,153,818	$ 46,391,538
1982	4,267,879,002	42,678,790
1981	3,966,922,360	39,669,224
1980	3,719,425,228	37,194,252
1979	3,431,724,620	34,317,246
1978	3,157,554,100	31,575,541
1977	2,825,001,989	28,250,020
1976	2,704,462,364	27,044,624
1975	2,765,489,592	27,654,896
1974	2,402,139,692	24,021,397

*Does not include Property Tax Relief Fund, Casino Control Fund, Casino Revenue Fund, and Gubernatorial Elections Fund, the revenues of which are restricted as to use by their respective legislation.

OUTSTANDING BONDED DEBT

The citizens of New Jersey have authorized $4.3 billion in bonded debt--all of which is guaranteed by the full faith and credit of the State. Of this total authorization, $2.2 billion is issued and outstanding, $1.3 billion remained unissued, and $769.6 million has been retired as of June 30, 1983. During fiscal year 1983, the State sold $300 million in bonds and retired $107.6 million in debt.

In addition, the State guarantees payments on $28.9 million in bonds of the New Jersey Highway Authority due 1983-88, and payments on $283.2 million in bonds of the New Jersey Sports and Exposition Authority due 1983-2005. At the present time, it is believed that the revenues of these authorities will be sufficient to provide for payment of debt service on their obligations without recourse to the State's guarantee.

The $640 million State Transportation Bond Issue of 1968 represents the largest single voter-approved authorization--all of the bonds have been sold. The largest single unissued bond authorization is the 1981 Water Supply Bond Issue. Of the $350 million authorized, $347 million remain unissued.

The following list is the outstanding debt of the State at the close of the last ten fiscal years. A large portion of the increase reflects State support for local capital projects, as much of the outlay has been distributed in the form of state aid in such areas as community colleges, sewer and water construction, local parks and open spaces, housing construction, vocational schools, flood control, and shore protection.

OUTSTANDING DEBT OF THE STATE - TEN YEAR TREND

AS OF JUNE 30	OUTSTANDING	AS OF JUNE 30	OUTSTANDING
1983	$2,226,855,000	1978	$1,589,105,000
1982	2,034,445,000	1977	1,533,220,000
1981	1,827,320,000	1976	1,360,320,000
1980	1,755,530,000	1975	1,354,635,000
1979	1,712,725,000	1974	1,265,425,000

LEASE AGREEMENTS

The administration of the State's office space is the responsibility of the Director, Division of Purchase and Property, Department of the Treasury. Each lease over twelve months in duration must be approved in advance by the State Treasurer; the Director, Division of Budget and Accounting; the President of the Senate; and the Speaker of the General Assembly.

As of June 30, 1983, there were 675 long-term operating realty lease agreements with expirations ranging to twenty-four years. These lease obligations amounted to $86.1 million, while annual rental payments for fiscal year 1983 for operating and capital realty leases totaled approximately $41 million.

Commencing in fiscal year 1983, the State classified certain long-term lease agreements as capital leases. Of the 90 leases thus classified, the most significant are those agreements to rent buildings constructed by the Mercer County Improvement Authority, the New Jersey Building Authority, and the New Jersey Educational Facilities Authority. The lease agreements provide for payment of rental by the State equal to the debt service on the outstanding construction bonds issued by the respective authorities, plus payments due in lieu of real estate taxes. The lease terms coincide with the amortization of the bonds and, upon expiration of the leases, the authorities agree to convey the building titles to the State for one dollar.

As of June 30, 1983, the present value of these lease obligations were as follows: Mercer County Improvement Authority, $105.8 million; New Jersey Building Authority, $157.1 million; and New Jersey Educational Facilities Authority, $163.4 million.

STATE AID APPROPRIATION FOR SCHOOL FINANCINGS

Since 1968, the Legislature has passed three laws (P.L. 1968, c.177; P.L. 1971, c.10; and P.L. 1978, c.74) which provide for state support for the construction of local school facilities. These laws provide for future appropriations for debt service on a maximum principal amount of $280 million in bonded debt issued by local school districts. Individual projects are approved by the Department of Education based upon criteria established in the enabling legislation. As of June 30, 1983, the maximum amount of $280 million school district bonds has been approved by state support, pursuant to the above three laws. The amount expended in fiscal year 1983 for the support of bonds issued by school districts under these laws totaled $20.4 million.

Also, P.L. 1971, c.12, provides that the State make payment of the debt service on up to $40 million in county college bonds. As of June 30, 1983, the State is paying the debt service on a total of $24.0 million in bonds issued by county colleges--such expenditures amounted to $1.6 million in fiscal year 1983.

In both these instances, the Legislature is not legally bound to make future appropriations, but has done so to date on all outstanding obligations issued under these laws.

FINANCIAL COMPARISONS WITH OTHER STATES AND LOCAL GOVERNMENT

Comparisons with other states indicate that New Jersey State government is at the low end of the range in terms of total expenditures as a per cent of personal income. The State is also considerably below the average in number of employees. Personal income is considered a good measure of tax burden because it considers the taxpaying capacity of the citizens of the State. When all levels of government in the State are considered, that is, state government, local governments, and school districts, New Jersey is near the middle of the scale.

The data below compares New Jersey State government to other state governments, as well as to all levels of government in the State, with national and state statistics for the year 1982--the latest year of published statistics from the U.S. Department of Commerce.

- New Jersey's per capita personal income was $13,027 in 1982, which placed it third among the 50 states. The per capita personal income was $1,971, or 17.8 per cent, above the national average of $11,056.
- Total expenditures per $1,000 of personal income for 1982 was $102.63, while the average state expenditure nationwide was $112.43.
- The number of New Jersey State government employees as of October, 1982 was 115 per 10,000 population, which placed the State forty-third in the nation, or seventh from the bottom. The U. S. average is 133 employees per 10,000 population.
- The number of public employees in the State was 482 per 10,000 population, which placed the State twenty-ninth in the nation.
- In 1982 the total number of public employees in New Jersey was approximately 359,000. Of this total, 24 per cent worked in state government, 27 per cent in municipalities and townships, 16 per cent in county governments, 31 per cent in school districts, and 2 per cent in special districts.

REVENUE STATEMENTS

STATE OF NEW JERSEY
SUPPLEMENTARY REVENUE DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

The revenues collected are applied principally to one of five funds--the General Fund, the Property Tax Relief Fund, the Casino Control Fund, the Casino Revenue Fund, or the Gubernatorial Elections Fund. Revenues are recorded as either anticipated revenue or appropriated revenue. Anticipated revenue is utilized to support the appropriations in the annual Appropriations Act. Such revenues are not available for expenditure unless specifically appropriated by the Legislature. Appropriated revenues are such monies not previously anticipated or budgeted, which upon receipt, increase appropriation balances as authorized in the Appropriations Act, and from which expenditures may be made. Most federal aid, except Indirect Cost Recovery, is recorded as appropriated revenue and represents 69.6 per cent of all appropriated revenue. Total revenue from all sources for fiscal year 1983 amounted to $8,942 million, an increase of $914 million, or 11.4 per cent over fiscal year 1982.

ANTICIPATED (BUDGETED) REVENUE

Anticipated revenues support what is normally referred to as the Governor's Budget. For fiscal year 1983, these revenues totaled $6,243 million. This compares to $5,555 million reported in 1982, and shows an increase of $688 million, or 12.4 per cent. $133 million (a 10.5 per cent increase) of the increase relates to proceeds from the Income Tax, which is dedicated by constitutional amendment for property tax relief, and $278 million (a 21.3 per cent increase) relates to proceeds from the Sales Tax.

A description of the major categories of revenue sources within the five funds and a description of the principal taxes are discussed in the following.

GENERAL FUND

Major Taxes

The major taxes category is composed of fifteen taxes or fees which are levied within the State. The majority of the revenue is generated from the sale and use of goods and services; general business taxes, which are received from various corporations; motor vehicle fees; a public utility excise tax; and other excise taxes. These taxes amounted to $3,714 million, an increase of 7.4 per cent or $256 million over fiscal year 1982. A description of the five largest sources, all raising in excess of a $200 million, follows.

- The Sales Tax Act imposes a tax at the rate of 6 per cent on receipts from (a) retail sale, rental, or use of tangible personal property; (b) retail sale of producing, fabricating, processing, installing, maintaining, repairing, storage, and certain advertising services; (c) sales of restaurant meals; (d) rental of hotel and motel rooms; and (e) certain admission charges. Sales of food, clothing, and other specified items are exempt from collection of the tax.

- The Cigarette Tax is imposed at the rate of $.24 per package of twenty cigarettes. The tax is collected primarily from licensed distributors who receive the cigarettes directly from out-of-state manufacturers. P.L. 1982, c.40, approved June 17, 1982, added a $.05 per package surtax.

- The Motor Fuels Tax applies to sales of gasoline, diesel fuel, or liquefied petroleum gas and compressed natural gas used in motor vehicles on public highways. The tax is $.08 per gallon for gasoline and diesel fuel, and half the rate for the other gases.

- The Motor Vehicle Fees include automobile and truck registrations, drivers' licenses, and miscellaneous fees collected by the Division of Motor Vehicles.

- The Corporation Business Tax imposes a franchise tax for the privilege of having or exercising a corporate charter or doing business, employing or owning capital or property, or maintaining an office in New Jersey. The tax is applicable to every corporation not expressly exempted. The effective rate is 9 per cent of net income. In addition, a net worth tax is levied on business at various rates ranging from 2/10 of a mill to 2 mills per dollar. P.L. 1982, c.54, approved June 30, 1982, begins a phase-out of the net worth tax over a period of 4 years.

Miscellaneous Taxes, Licenses, and other Departmental Fees

This category includes revenues received by the various state agencies. Typical items include tuition from students at the state colleges, recreation and boating fees, institutional and patient fees, investment earnings, and the like. Between fiscal year 1982 and 1983 these revenues increased from $385 million to $578 million.

Interfund Transfers

The Interfund Transfers category includes monies which were received into various bond and trust funds because of legal or statutory requirements, and then subsequently transferred into the General Fund as anticipated revenue for expenditure purposes. Included in these types of revenue are the monies received by the State Lottery, interest earned on investments of bond funds, and the monies received from taxes levied on New York residents working in New Jersey. The latter tax is commonly referred to as "Commuter Tax." These revenues totaled $392 million, an increase of $70 million, or 21.7 per cent, over fiscal year 1982.

PROPERTY TAX RELIEF FUND

The Income Tax

This tax is calculated at 2 per cent on the first $20,000 of taxable income, 2.5 per cent on amounts to $50,000, and 3.5 per cent on amounts in excess of $50,000. For fiscal year 1983, this tax yielded $1,392 million for property tax relief--an increase of $133 million over the prior year. All monies in the fund must be appropriated exclusively for reducing or offsetting property taxes.

CASINO REVENUE FUND

A tax of 8 per cent on the gross revenue of all casinos is deposited into the Casino Revenue Fund. All monies in this fund must be used for reduction in property taxes or utility and rental charges of eligible disabled residents and senior citizens. The total tax collected was $130.6 million, an increase of $27.1 million over fiscal year 1982.

CASINO CONTROL FUND

License fees for the issuance and annual renewal of casino licenses, slot machines, non-refundable deposits for each application for a license, and fees for the issuance of various work permits are deposited into the Casino Control Fund. Such revenues are used to support the operation of the Casino Control Commission and the Division of Gaming Enforcement. The total revenue collected was $34.9 million, an increase of $9.2 million over fiscal year 1982.

GUBERNATORIAL ELECTIONS FUND

A taxpayer can voluntarily indicate that $1 of his income tax can be set aside into this special fund. Such monies are used to finance a portion of the expenses of gubernatorial primary and general elections. Total payments to this fund were $1.5 million in fiscal year 1983.

STATE OF NEW JERSEY
SUPPLEMENTARY REVENUE DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

APPROPRIATED REVENUE

All appropriated revenue is deposited into the General Fund. These revenues include most of the federal aid received by the State, except for General Revenue Sharing, and certain revenues collected by the State and directly utilized by either a state agency or disbursed to a local government for a specific purpose enacted by statute. Federal aid totaled $1,770 million in fiscal year 1983, which is an increase of $155 million over the amount received in fiscal year 1982. Of the $1,770 million, the Department of Human Services received $1,034 million, or 58 per cent, for such programs as Aid for Dependent Children, social services, and low-income energy assistance. The Department of Education received $233 million or 13 per cent of the total for such programs as child nutrition, disadvantaged and handicapped children, and vocational education. The Department of Labor received $130 million, or 7 per cent of the total, for various work programs, employment services, and vocational rehabilitation services. The Department of Transportation received $183 million, or 10 per cent of the total for various highway construction, airport, electrical, and traffic control projects.

Some of the kinds of state appropriated revenue received by departments and agencies for specific purposes include: Second Injury Workers' Compensation Insurance Tax, certain corporation taxes from banks (which are disbursed to local governments), and auxiliary services and extension program income at the state colleges.

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ANTICIPATED TO JUNE 30, 1983	REALIZED TO JUNE 30, 1983 AMOUNT	REALIZED TO JUNE 30, 1983 PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
MAJOR TAXES					
Sales	$ 1,563,000,000	$ 1,582,348,981	101	$ --	$ 19,348,981
Corporation business	869,500,000	737,347,278	85	132,152,722	--
Motor fuels	284,000,000	282,347,938	99	1,652,062	--
Motor vehicle fees	282,411,000	280,347,764	99	2,063,236	--
Cigarette	211,000,000	214,543,360	102	--	3,543,360
Transfer inheritance	134,000,000	146,215,308	109	--	12,215,308
Insurance premiums	98,000,000	97,736,629	100	263,371	--
Public utility excise	104,000,000	104,879,035	101	--	879,035
Alcoholic beverage wholesale sales	84,000,000	77,935,145	93	6,064,855	--
Business personal property	52,000,000	50,354,406	97	1,645,594	--
Alcoholic beverage excise	61,000,000	59,716,183	98	1,283,817	--
Corporation business - Banks and financial institutions	32,000,000	41,622,620	130	--	9,622,620
Realty transfer	18,000,000	20,081,304	112	--	2,081,304
Pari-mutuel	12,500,000	11,750,423	94	749,577	--
Motor fuel use	7,000,000	6,633,260	95	366,740	--
TOTAL MAJOR TAXES	3,812,411,000	3,713,859,634	97	146,241,974	47,690,608
MISCELLANEOUS, TAXES, FEES, REVENUES					
Department of Agriculture:					
Animal plant disease and pest control fees	100,690	82,259	82	18,431	--
Fertilizer inspection and other fees	155,070	154,645	100	425	--
Milk control licenses and fees	190,000	49,912	26	140,088	--
Total Department of Agriculture	445,760	286,816	64	158,944	--

Department of Banking:					
Bank assessments	1,458,090	1,304,811	89	153,279	--
Examining and other fees	2,860,987	2,038,433	71	822,554	--
New Jersey Cemetery Board	81,890	78,589	96	3,301	--
Total Department of Banking	4,400,967	3,421,833	78	979,134	--
Department of Community Affairs:					
Boarding home fee	275,000	101,,578	37	173,422	--
Construction fees	995,350	353,198	35	642,152	--
Housing inspection fees	2,172,600	3,106,088	143	--	933,488
Local government services	128,500	105,475	82	23,025	--
Planned real estate development fees	425,000	425,000	100	--	--
Total Department of Community Affairs	3,996,450	4,091,339	102	838,599	933,488
Department of Education:					
Katzenbach School for the Deaf - Tuition	2,805,250	2,226,517	79	578,733	--
Licensing fees - Miscellaneous	251,450	146,646	58	104,804	--
Non-public schools textbook recoveries	180,000	237,484	132	--	57,484
State Board of Examiners fees	455,000	454,991	100	9	--
Total Department of Education	3,691,700	3,065,638	83	683,546	57,484
Department of Energy:					
Assessments - Cable TV	748,012	709,298	95	38,714	--
Assessments - Public Utility	9,968,690	9,933,850	100	34,840	--
Fees, fines and penalties	150,000	118,628	79	31,372	--
Total Department of Energy	10,866,702	10,761,776	99	104,926	--
Department of Environmental Protection:					
Air pollution fees	490,000	409,292	84	80,708	--
Examination licensing fees	37,045	35,420	96	1,625	--
Excess water diversion fees	--	627,362	--	--	627,362
Forest management sales	41,843	28,237	67	13,606	--
Hunters' and Anglers' License Fund	5,899,417	6,018,006	102	--	118,589

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ANTICIPATED TO JUNE 30, 1983	REALIZED TO JUNE 30, 1983		REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
		AMOUNT	PER CENT		
Department of Environmental Protection (Continued)					
Marina rentals	$ 465,000	$ 459,184	99	$ 5,816	$ --
Marine Land Management - Delineation and title determination	880,000	880,000	100	--	--
Marine Lands Management - Miscellaneous revenue	20,000	19,454	97	546	--
Morris Canal Fund	48,000	56,967	119	--	8,967
New Jersey Pilot Commissioners	73,400	73,400	100	--	--
Parks management	2,545,000	2,463,275	97	81,725	--
Radiation protection	275,000	289,965	105	--	14,965
Shell fisheries leases	270,505	253,564	94	16,941	--
Solid waste management fees	725,000	672,624	93	52,376	--
Water pollution fees	60,000	60,048	100	--	48
Total Department of Environmental Protection	11,830,210	12,346,798	104	253,343	769,931
Department of Health:					
Licenses, permits and fees	1,300,000	754,350	58	545,650	--
Total Department of Health	1,300,000	754,350	58	545,650	--
Department of Higher Education:					
Bond interest recoveries	358,478	358,478	100	--	--
School of conservation	440,000	439,999	100	1	--
Thomas A. Edison College					
Tuition - Regular	335,000	325,217	97	9,783	--
Glassboro State College					
Miscellaneous institutional support	41,000	36,114	88	4,886	--
N.J. Educational Computer Network	--	3,865	--	--	3,865
Other student fees	92,489	96,489	104	--	4,000
Tuition - regular	5,861,379	5,207,560	89	653,819	--

Department of Higher Education (Continued)					
Jersey City State College					
Miscellaneous institutional support	27,000	26,431	98	569	--
Other student fees	53,000	52,955	100	45	--
Tuition - Regular	4,107,855	4,069,426	99	38,429	--
Kean College of New Jersey					
Miscellaneous institutional support	86,000	100,914	117	--	14,914
New Jersey Educational Computer Network	--	4,251	--	--	4,251
Other student fees	102,000	102,455	100	--	455
Tuition - Regular	7,154,640	6,693,464	94	461,176	--
William Paterson College					
Miscellaneous institutional support	111,000	132,103	119	--	21,103
Other student fees	96,000	97,097	101	--	1,097
Tuition - Regular	6,626,652	6,485,658	98	140,994	--
Montclair State College					
Miscellaneous institutional support	82,000	92,584	113	--	10,584
Other student fees	152,000	137,026	90	14,974	--
Tuition - Regular	8,944,056	8,522,436	95	421,620	--
Trenton State College					
Miscellaneous institutional support	7,000	7,765	111	--	765
New Jersey Educational Computer Network	--	753	--	--	753
Other student fees	122,000	115,633	95	6,367	--
Tuition -Regular	5,707,000	5,776,189	101	--	69,189
Ramapo College of New Jersey					
Miscellaneous institutional support	18,300	80,347	439	--	62,047
New Jersey Educational Computer Network	--	3,865	--	--	3,865
Other Student Fees	30,480	32,237	106	--	1,757
Tuition - Regular	2,480,811	2,532,769	102	--	51,958
Richard Stockton State College					
Miscellaneous institutional support	17,000	35,006	206	--	18,006
New Jersey Educational Computer Network	--	4,638	--	--	4,638
Other student fees	37,800	46,060	122	--	8,260
Tuition - Regular	3,263,040	3,497,350	107	--	234,310
UMDNJ. Hospital Service Recoveries	--	3,038,935	--	--	3,038,935
Total Department of Higher Education	46,353,980	48,156,069	104	1,752,663	3,554,752

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ANTICIPATED TO JUNE 30, 1983	REALIZED TO JUNE 30, 1983		REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
		AMOUNT	PER CENT		
Department of Human Services:					
Adoption law fees	$ 150,000	$ 191,714	128	$ --	$ 41,714
Medicare recoveries	1,322,995	5,364,005	405	--	4,041,010
Federal Reimbursements -FY 83	--	19,802,956	--	--	19,802,956
Patients and residents recoveries:					
Institutions for the retarded:					
Edward R. Johnstone Training and Research Center	1,350,000	1,856,394	138	--	506,394
Green Brook Regional Center	--	1,123,598	--	--	1,123,598
Hunterdon Development Center	8,000,000	8,254,218	103	--	254,218
North Princeton Development Center	5,250,000	7,290,322	139	--	2,040,322
New Lisbon Development Center	5,800,000	5,863,103	101	--	63,103
North Jersey Development Center	5,500,000	6,628,187	121	--	1,128,187
Vineland Development Center	11,000,000	13,657,012	124	--	2,657,012
Woodbine Development Center	6,400,000	7,016,611	110	--	616,611
Woodbridge Development Center	7,350,000	7,051,028	96	298,972	--
Psychiatric hospitals:					
Ancora Psychiatric Hospital	12,900,000	13,364,044	104	--	464,044
Arthur Brisbane Child Center at Allaire	200,000	417,016	209	--	217,016
Glen Gardner Center for Geriatrics	2,400,000	2,089,759	87	310,241	--
Greystone Park Psychiatric Hospital	14,100,000	17,762,767	126	--	3,662,767
Marlboro Psychiatric Hospital	12,600,000	13,475,584	107	--	875,584
Trenton Psychiatric Hospital	12,600,000	16,175,221	128	--	3,575,221
Soldiers' homes:					
Menlo Park	2,347,972	2,598,651	111	--	250,679
Vineland	2,053,125	1,927,510	94	125,615	--
Special residential services	6,053,028	12,839,242	212	--	6,786,214
Total Department of Human Services	117,377,120	164,748,942	140	734,828	48,106,650

Department of Insurance:					
Actuarial Services	790,965	763,239	96	27,726	--
Licensing and enforcement	3,227,100	4,717,468	146	--	1,490,368
Real estate commission	2,306,160	1,191,987	52	1,114,173	--
Total Department of Insurance	6,324,225	6,672,694	106	1,141,899	1,490,368
Department of Labor:					
Licenses, permits and fines	1,457,500	702,735	48	754,765	--
Special Compensation Fund	828,886	828,886	100	--	--
Total Department of Labor	2,286,386	1,531,621	67	754,765	--
Department of Law and Public Safety:					
Amusement Games Control fees	115,000	109,268	95	5,732	--
Beverage licenses	3,000,000	3,434,169	114	--	434,169
Bus Excise Tax	250,000	314,146	126	--	64,146
Division of Consumer Affairs:					
General revenues:					
Athletic Commission	220,000	342,556	156	--	122,556
Bureau of Securities	575,000	963,461	168	--	388,461
Consumer fines	75,000	38,510	51	36,490	--
Legalized Games of Chance Control	435,000	422,280	97	12,720	--
Private Employment Agencies	205,000	230,307	112	--	25,307
Weights and Measures - General	125,000	132,507	106	--	7,507
Professional examining board fees:					
State Board of Architects	156,000	156,070	100	--	70
State Board of Barber Examiners	120,000	120,000	100	--	--
State Board of Beauty Culture	425,000	437,682	103	--	12,682
State Board of Certified Public Accountants	710,000	710,000	100	--	--
State Board of Dentistry	260,000	260,000	100	--	--
State Board of Electrical Contractors	240,000	240,000	100	--	--
State Board of Examiners of Master Plumbers	290,000	290,000	100	--	--
State Board of Examiners of Ophthalmic Dispensers and Ophthalmic Technicians	70,000	65,984	94	4,016	--
State Board of Marriage Counselor Examiners	42,000	42,000	100	--	--
State Board of Medical Examiners	1,000,000	774,017	77	225,983	--

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ANTICIPATED TO JUNE 30, 1983	REALIZED TO JUNE 30, 1983		REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
		AMOUNT	PER CENT		
Division of Consumer Affairs (Continued):					
Professional examining board fees:					
State Board of Mortuary Science	$ 150,000	$ 150,000	100	$ --	$ --
State Board of Nursing	820,000	820,070	100	--	70
State Board of Optometrists	80,000	80,000	100	--	--
State Board of Pharmacy	293,000	293,000	100	--	--
State Board of Professional Engineers and Land Surveyors	310,000	310,000	100	--	--
State Board of Professional Planners	120,000	120,000	100	--	--
State Board of Psychological Examiners	64,000	64,003	100	--	3
State Board of Public Movers and Warehousemen	100,000	100,000	100	--	--
State Board of Shorthand Reporting	18,000	18,000	100	--	--
State Board of Veterinary Medical Examiners	32,000	32,000	100	--	--
Division of State Police:	709,500	862,055	122	--	152,555
Motor Vehicle Security Responsibility Law Administration	4,871,037	4,853,813	100	17,224	--
Pleasure boat licenses	1,660,260	1,821,151	110	--	160,891
Other boating fees	36,226	48,406	134	--	12,180
Total Department of Law and Public Safety	17,577,023	18,655,455	106	302,165	1,380,597
Department of State:					
Administrative procedures publications	100,000	100,000	100	--	--
Commissions	325,000	469,994	145	--	144,994
General revenues - Fees	8,049,200	6,098,941	76	1,950,259	--
Uniform Commercial Code - Fees	937,000	1,245,379	133	--	308,379
Total Department of State	9,411,200	7,914,314	84	1,950,259	453,373

Department of Transportation:					
Applications and highway permits	850,000	515,149	61	334,851	--
Division of Aeronautics	99,800	79,454	80	20,346	--
Outdoor advertising	282,000	234,772	83	47,228	--
Total Department of Transportation	1,231,800	829,375	67	402,425	--
Department of Treasury:					
Coin operated telephones	70,000	68,001	97	1,999	--
Escheats, Personal Property (14 year law)	200,000	82,627	41	117,373	--
General Revenue Sharing	--	1,550,808	--	--	1,550,808
Investment earnings	6,000,000	1,071,832	18	4,928,168	--
Municipal purposes tax assistance fund	56,500,000	56,700,000	100	--	200,000
New Jersey Sports and Exposition Authority	8,000,000	3,400,000	43	4,600,000	--
Public Utility radiation response assessment	700,000	684,973	98	15,027	--
Public Utility Taxes - Administration	152,000	205,950	135	--	53,950
Public Utility Taxes - Local share distribution not required	17,000,000	2,100,000	12	14,900,000	--
Public Utility Taxes - 1982 Local share retention	35,603,594	35,800,000	101	--	196,406
Public Utility Taxes - 1983 Local share retention	44,400,000	50,300,000	113	--	5,900,000
Railroad Tax:					
Class II	70,000	84,098	120	--	14,098
Class II prior years	--	18,524,272	--	--	18,524,272
Franchise	50,000	70,331	141	--	20,331
Sale of state land	10,000,000	--	--	10,000,000	--
Vending machine commission	130,000	125,919	97	4,081	--
Total Department of the Treasury	178,875,594	170,768,811	95	34,566,648	26,459,865
Miscellaneous Executive Commissions:					
Delaware River Joint Toll Bridge Commission Pennsylvania share	990,060	906,366	92	83,694	--
Total Miscellaneous Executive Commissions	990,060	906,366	92	83,694	--
Other Sources:					
Miscellaneous revenue	1,500,000	1,688,166	113	--	188,166
Total Other Sources	1,500,000	1,688,166	113	--	188,166

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ANTICIPATED TO JUNE 30, 1983	REALIZED TO JUNE 30, 1983 AMOUNT	REALIZED TO JUNE 30, 1983 PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Inter-Departmental Accounts:					
Administration and investment of pension and social security funds	$ 5,000,000	$ 17,910,894	358	$ --	$ 12,910,894
Employee maintenance deductions	2,485,000	1,371,949	55	1,113,051	--
Health benefits contribution reimbursement from special funds	11,000,000	12,087,133	110	--	1,087,133
Indirect cost recovery - Federal	7,800,000	8,763,646	112	--	963,646
Judicial Retirement System reimbursements	1,000,000	1,428,501	143	--	428,501
Other fringe benefit reimbursement from special funds	1,200,000	1,735,285	145	--	535,285
Pension contribution reimbursement from special funds	18,000,000	22,934,371	127	--	4,934,371
Public employer's contribution reimbursement	7,600,000	17,415,859	229	--	9,815,859
Reimbursement from Rutgers - Employer's share of employees' benefits	3,888,644	4,120,434	106	--	231,790
Rent of State building space	900,000	1,136,994	126	--	236,994
Social security contribution reimbursement from special funds	15,000,000	15,426,332	103	--	426,332
Total Inter-Departmental Accounts	73,873,644	104,331,398	141	1,113,051	31,570,805
Judical Branch:					
Court fees	9,585,733	13,031,660	136		3,445,927
Violent crimes compensation act	4,781,818	2,262,332	47	2,519,486	--
Matrimonial fees	--	2,038,186	--	--	2,038,186
Total Judicial Branch	14,367,551	17,332,178	121	2,519,486	5,484,113
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	506,700,372	578,263,939	114	48,886,025	120,449,592

INTERFUND TRANSFERS

Beaches and Harbor Fund	200,000	813,809	407	--	613,809
Clean Waters Fund	150,000	1,299,720	866	--	1,149,720
Correctional Facilities Construction	--	540,640	--	--	540,640
Disability Benefit Liability	--	492,787	--	--	492,787
Emergency Flood Control Fund	200,000	826,316	413	--	626,316
Energy Conservation Fund	200,000	806,969	403	--	606,969
Farmland Preservation	--	21,847	--		21,847
Higher Education Buildings Construction Fund (Act of 1971)	210,000	251,495	120	--	41,495
Housing Assistance Fund	2,000	1,965	98	35	--
Institutional Construction Fund 1978	2,903,390	745,819	26	2,157,571	--
Institutions Construction Fund	352,900	556,174	158	--	203,274
Medical Education Facilities Fund	500,000	438,230	88	61,770	--
Mortgage Assistance Fund	1,699,210	94,124	6	1,605,086	--
Motor Vehicle Security-Responsibility Fund	65,000	39,417	61	25,583	--
Natural Resources Fund	550,000	1,000,047	182	--	450,047
New Jersey Spill Compensation Fund	1,000,000	1,000,000	100	--	--
Outstanding Checks Account	620,000	1,295,861	209	--	675,861
Outstanding Checks 6 years and over	--	522,232	--	--	522,232
Public Building Construction Fund	90,000	155,255	173	--	65,255
Public Purpose Buildings Construction Fund	1,817,000	1,592,548	88	224,452	--
School Fund	3,200,000	3,673,875	115	--	473,875
Special Railroad Deposits	1,500	--	--	1,500	--
State Disability Benefits Funds	7,320,931	7,271,840	99	49,091	--
State Land Acquisition and Development Fund	6,211,000	3,949,861	64	2,261,139	--
State Lottery Fund	235,000,000	294,975,421	126	--	59,975,421
State 1964 Institution Construction Fund	--	537	--	--	537
State of New Jersey Cash Management Fund	500,000	500,000	100	--	--
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1971)	--	376,526	--	--	376,526
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1974)	2,662,810	2,750,509	103	--	87,699
State Transportation Fund	500,000	1,519,942	304	--	1,019,942
State Water Development Fund	30,000	81,377	271	--	51,377

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ANTICIPATED TO JUNE 30, 1983	REALIZED TO JUNE 30, 1983		REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
		AMOUNT	PER CENT		
INTERFUND TRANSFERS (Continued)					
Transportation Benefit Fund	$ 5,000	$ --	--	$ 5,000	$ --
Transportation Fund	52,000,000	48,626,230	94	3,373,770	--
Transportation Rehabilitation and Improvement Fund of 1979	5,637,790	4,969,419	88	668,371	--
Unclaimed Bank Deposits Escheat Reserve Fund	825,000	1,532,106	186	--	707,106
Unclaimed Domestic Life Insurance Escheat Reserve Fund	390,000	538,316	138	--	148,316
Unclaimed Personal Property Trust Fund	2,000,000	2,620,295	131	--	620,295
Unemployment Benefit Liability	--	1,335,517	--	--	1,335,517
Unemployment Compensation Auxiliary Fund	6,050,000	3,147,188	52	2,902,812	--
Unsatisfied Claim and Judgement Fund	558,970	558,970	100	--	--
Water Conservation Fund	1,000,000	1,069,435	107	--	69,435
Water Supply Fund	347,400	272,437	78	74,963	--
TOTAL INTERFUND TRANSFERS	334,799,901	392,265,056	117	13,411,143	70,876,298
TOTAL REVENUES, GENERAL FUND	$ 4,653,911,273	$ 4,684,388,629	101	$ 208,539,142	$ 239,016,498

STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ANTICIPATED TO JUNE 30, 1983	REALIZED TO JUNE 30, 1983		REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
		AMOUNT	PER CENT		
Gross Income Tax	$ 1,490,000,000	$ 1,391,557,078	93	$ 98,442,922	$ --
TOTAL PROPERTY TAX RELIEF FUND	$ 1,490,000,000	$ 1,391,557,078	93	$ 98,442,922	$ --

STATE OF NEW JERSEY
GUBERNATORIAL ELECTIONS FUND
STATEMENT OF ANTICIPATED REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ANTICIPATED TO JUNE 30, 1983	REALIZED TO JUNE 30, 1983		REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
		AMOUNT	PER CENT		
Taxpayers' Designations	$ 1,700,000	$ 1,524,681	90	$ 175,319	$ --
TOTAL GUBERNATORIAL ELECTIONS FUND	$ 1,700,000	$,524,681	90	$ 175,319	$ --

STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ANTICIPATED TO JUNE 30, 1983	REALIZED TO JUNE 30, 1983 AMOUNT	REALIZED TO JUNE 30, 1983 PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Licenses and fees	$ 35,474,028	$ 34,865,313	98	$ 608,715	$ --
TOTAL CASINO CONTROL FUND	$ 35,474,028	$ 34,865,313	98	$ 608,715	$ --

STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF ANTICIPATED REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ANTICIPATED TO JUNE 30, 1983	REALIZED TO JUNE 30, 1983 AMOUNT	REALIZED TO JUNE 30, 1983 PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Gross Revenue Tax	$ 110,000,000	$ 127,976,927	116	$ --	$ 17,976,927
Investment Income	--	2,664,928	--	--	2,664,928
TOTAL CASINO REVENUE FUND	$ 110,000,000	$ 130,641,855	119	$ --	$ 20,641,855

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATED REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	STATE	FEDERAL	OTHER	TOTAL
EXECUTIVE BRANCH:				
Agriculture	$ --	$ 965,266	$ 11,748,003	$ 12,713,269
Banking	154,150	--	--	154,150
Civil Service	149,087	66,679	--	215,766
Commerce and Economic Development	--	--	48,498	48,498
Community Affairs	2,161,650	66,761,243	7,000,621	75,923,514
Corrections	--	123,801	16,143,791	16,267,592
Defense	291,035	2,790,753	--	3,081,788
Education	266,379	232,922,429	7,026,317	240,215,125
Energy	676,841	2,394,768	2,746,067	5,817,676
Environmental Protection	5,743,123	20,687,614	13,957,163	40,387,900
Health	3,566,272	57,693,789	4,086,481	65,346,542
Higher Education	5,634,975	26,102,329	27,066,121	58,803,425
Human Services	5,197,448	1,033,785,655	50,479,135	1,089,462,238
Insurance	--	--	32,173	32,173
Labor	7,117,761	129,644,084	21,824,324	158,586,169
Law and Public Safety	16,512,080	11,345,966	14,788,305	42,646,351
Public Advocate	300,124	335,831	2,996,307	3,632,262
State	327,606	490,258	279,036	1,096,900
Transportation	1,262,682	183,472,113	11,472,925	196,207,720
Treasury	647,088	--	664,622,500	665,269,588
Inter-Departmental Accounts	--	--	22,037,630	22,037,630
TOTAL EXECUTIVE BRANCH	50,008,301	1,769,582,578	878,355,397	2,697,946,276
JUDICIAL BRANCH	745,451	1	--	745,452
TOTAL APPROPRIATED REVENUE	$ 50,753,752	$ 1,769,582,579	$ 878,355,397	$ 2,698,691,728

STATE OF NEW JERSEY
GUBERNATORIAL ELECTIONS FUND
STATEMENT OF APPROPRIATED REVENUE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	STATE	FEDERAL	OTHER	TOTAL
EXECUTIVE BRANCH:				
Law and Public Safety	$ --	$ --	$ 28,940	$ 28,940
TOTAL APPROPRIATED REVENUE	$ --	$ --	$ 28,940	$ 28,940

EXPENDITURE STATEMENTS

STATE OF NEW JERSEY
SUPPLEMENTARY EXPENDITURE DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

Expenditures are made against authorized appropriations specifically identified in the annual Appropriations Act or subsequent supplemental appropriations. The term, "expenditures" is commonly referred to as "budgetary expenditures" and includes not only actual disbursements, but also encumbrances. These expenditures are associated with the annual State Budget. The State, however, also makes expenditures against "other authorized appropriations." These appropriations include federal aid and certain receipts known as appropriated revenue. In addition, provisions in the Appropriations Act permit the carrying forward of unexpended balances of prior appropriations.

Total expenditures in the General Fund in fiscal year 1983 were $7,296.2 million, an increase of $534.5 million over fiscal year 1982. General Fund expenditures associated with the 1983 Appropriations Act amounted to $4,704.3 million, an increase of $400.9 million or 9.3 per cent over fiscal year 1982. In addition, expenditures from the Property Tax Relief Fund amounted to $1,422.0 million, and expenditures from the Casino Revenue Fund amounted to $116.3 million. The grand total of expenditures in fiscal year 1983 amounted to $8.9 billion, an increase of $654.8 million or 8.0 per cent over fiscal year 1982.

STATE AID TO LOCAL GOVERNMENTS

State aid was the largest expenditure of the state budget. State aid pertains to those expenditures paid by the State to a local government or non-profit agency to help finance activities which are the responsibility of the local unit. Most state aid expenditures are based upon statutory formula. In fiscal year 1983, 55.8 percent of the State's expenditures consisted of funds which were distributed to homeowners, municipalities, counties, school districts, and for the non-federal share of the Medicaid program. The total amount expended for state aid was $3,504.9 million.

The largest state aid expenditure, $1,989.6 million, was provided for local elementary and secondary education programs. Of this amount, $954.2 million was provided as equalization aid to each school district by formula based upon the number of students and the ability of the school district to raise taxes from its own base. In addition, the State provided $165.6 million for special education programs for mentally retarded, visually handicapped, and other children with special needs.

A compensatory education program ($79.5 million) was also funded for those children needing to improve basic skills such as mathematics, reading, etc. The State also expended $444.6 million on behalf of local governments as the employer's share of the Teachers' Pension and Benefits programs, and $115.3 million to pay 90 percent of all approved pupil transportation costs. Additional state aid provided for a portion of the cost of building construction, school lunches, vocational education, adult and continuing education, and local library aid.

State aid expenditures by the Treasury Department totaled $612.6 million in fiscal year 1983. The principal programs funded were homestead rebates to homeowners to provide property tax relief ($290.2 million), the cost of senior citizens' and veterans' property tax deductions ($37.6 million), revenue sharing to municipalities to reduce property taxes ($50.0 million), payment of a portion of the public utilities taxes to qualifying municipalities ($30.5 million), taxes previously paid on business personal property ($158.7 million), and in lieu of tax payments ($13.0 million).

A total of $726.2 million was expended for state aid programs administered by the Department of Human Services. Of that amount, $428.0 million was expended as the State's share of Medicaid, which provides hospital, nursing home, medical, and pharmacist services for those people eligible for a variety of welfare programs. In addition, $242.5 million was expended for welfare programs, $25.0 million for community mental health services, and $30.7 million for youth and family child care services.

Other expenditures of state aid in fiscal year 1983 included aid to county colleges ($55.7 million), municipal aid to eligible urban communities to maintain and upgrade municipal services ($39.9 million), and county welfare equalization aid ($18.4 million).

STATE OF NEW JERSEY
SUPPLEMENTARY EXPENDITURE DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

DIRECT STATE SERVICES

The second largest portion of expenditures in fiscal year 1983 was applied to direct state services programs, under the direct responsibility of the State government's twenty departments, the Executive Office, several commissions, the Legislature, and the Judiciary. In fiscal year 1983, expenditures for direct state services totaled $2,491.9 million and represented approximately 40 per cent of expenditures. Some of the major expenditures for direct state services during fiscal year 1983 are described as follows.

A total of $504.8 million was expended by the Department of Higher Education for the support of the state colleges; Rutgers, the State University; the New Jersey Institute of Technology; and the University of Medicine and Dentistry of New Jersey.

A total of $533.0 million was expended for programs administered by the Department of Human Services. Expenditures were made to provide support for day care centers, homemaker services, child abuse prevention, juvenile reform programs, and mental health and mental retardation programs, including the operation of seven psychiatric institutions and seven schools for the retarded. $42.8 million was expended on the Pharmaceutical Assistance Program to the Aged.

A total of $367.1 million was expended by the Departments of Law and Public Safety, and Corrections. Among the programs supported by this expenditure were the administration of the State's fourteen correctional facilities and parole activities, the registration and regulation of motor vehicles and licensed drivers, and the investigative and enforcement activities of the State Police.

A total of $244.8 million was expended by the Department of Transportation for the various programs it administers, such as the maintenance and improvement of the State's highway system of 10,519 lane miles, and operating subsidies for railroads and bus companies.

A total of $69.3 million was expended for community development and environmental protection programs, principally for the protection of air, land, forest, wild life, shellfish resources, and for the provision of outdoor recreational facilities .

DEBT SERVICE

The primary method of state financing of capital projects is through the sale of general obligation bonds of the State of New Jersey. These bonds are backed by the full faith and credit of the State. State tax revenues are pledged to meet the principal and interest payments required to fully pay the debt. When the State sells bonds, it commits itself to repay the borrowed amount in full and with interest. Debt service refers to these annual principal and interest payments. The total of principal and interest paid in fiscal year 1983 was $238.9 million, as compared to $185.6 million in fiscal year 1982. Debt service represents 3.8 per cent of the total state expenditures.

CAPITAL CONSTRUCTION

In 1983, $40.7 million, or 0.6 per cent of the State budget, was expended for capital construction. This compares to $60.7 million expended in 1982. Monies expended for capital construction represent the State's effort on a pay-as-you-go basis as contrasted to issuing bonds.

The largest pay-as-you-go capital expenditure was in the area of highway construction ($20.2 million). These monies include federal funds which were matched by state funds for highway construction under one of several federal programs, namely, Interstate Highway Projects, Urban Highway Projects, Rural Highway Projects, and Highway Safety Projects. Other capital monies were used to finance highway projects which were not eligible for federal highway aid. Most of the remaining capital expenditures were for renovations and improvements at state institutions, state colleges and universities.

Capital expenditures are subject to the review and recommendation of the New Jersey Commission on Capital Budgeting and Planning. This permanent Commission was established in November, 1975, and is charged with the preparation of the State Capital Improvement Plan, which contains proposals for state spending for capital projects. The Capital Improvement Plan must be submitted to the Governor and the Legislature by December 1 of each year. The recommendations for capital expenditures from both the General Fund and the bond fund accounts made by the Commission to the Governor and Legislature are recognized in the annual State Budget.

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
DIRECT STATE SERVICES						
LEGISLATIVE BRANCH	$ 19,760,464	$ 2,856,035	$ 20,271,704	$ 46	$ 472,774	$ 1,871,975
EXECUTIVE BRANCH:						
Chief Executive's Office	2,038,822	880,139	2,539,197	--	317,548	62,216
Agriculture	5,715,109	84,742	5,536,683	72,300	174,721	16,147
Banking	4,414,296	193,490	4,081,921	416,273	109,592	--
Civil Service	12,187,040	707,300	11,827,313	254,052	738,271	74,704
Commerce and Economic Development	6,205,000	348,999	5,349,736	295,837	865,876	42,550
Community Affairs	12,271,483	3,346,353	14,517,330	183,030	858,565	58,911
Corrections	169,868,135	10,782,091	164,813,929	1,281,957	9,648,031	4,906,309
Defense	8,433,879	483,780	7,936,283	160,316	732,221	88,839
Education	27,251,988	2,035,995	27,957,435	200,531	726,200	403,817
Energy	13,840,431	1,466,498	13,937,414	1,701	497,266	870,548
Environmental Protection	47,071,708	8,959,839	48,980,474	240,049	4,910,242	1,900,782
Health	29,981,383	4,893,852	31,050,829	474,810	2,211,699	1,137,897
Higher Education	487,725,703	22,819,636	499,148,046	2,481,245	5,667,950	3,248,098
Human Services	448,803,930	19,286,998	448,471,821	1,808,421	13,410,123	4,400,563
Insurance	5,922,418	123,780	5,608,080	212,574	221,011	4,533
Labor	31,534,775	6,287,337	36,621,211	1,963,516	1,041,629	195,756
Law and Public Safety	153,630,219	22,230,500	166,885,853	401,088	5,540,029	3,033,749
Public Advocate	26,903,903	1,971,753	25,574,780	1,087	77,216	3,222,573
State	12,414,172	563,487	11,762,476	18,678	860,870	335,635
Transportation	242,299,066	13,638,879	235,673,166	5,124,692	9,088,567	6,051,520
Treasury	71,453,503	5,294,644	72,726,045	673,556	2,694,060	654,486
Miscellaneous Executive Commissions	2,758,121	329,613	2,608,179	12,459	235,978	231,118
Inter-Departmental Accounts	462,403,510	(31,744,740)	397,588,379	4,029,614	4,565,407	24,475,370
TOTAL EXECUTIVE BRANCH	2,285,128,594	96,984,965	2,241,196,580	20,307,786	65,193,072	55,416,121
JUDICIAL BRANCH	42,966,346	2,582,053	42,211,696	--	2,438,342	898,361
TOTAL DIRECT STATE SERVICES	$ 2,347,855,404	$ 102,423,053	$ 2,303,679,980	$ 20,307,832	$ 68,104,188	$ 58,186,457

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES(Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
STATE AID						
EXECUTIVE BRANCH:						
Commerce and Economic Development	$ 2,015,149	$ --	$ 1,836,694	$ 178,455	$ --	$ --
Community Affairs	91,582,082	1,703,571	86,217,474	3,355,105	3,263,074	450,000
Education	952,708,103	7,008,175	935,502,330	9,886,704	5,666,876	8,660,368
Environmental Protection	4,298,190	1,996,811	3,786,168	--	1,648,774	860,059
Health	6,475,824	(71,855)	5,195,975	231,068	976,926	--
Higher Education	67,687,500	1,795,094	68,143,339	--	119,455	1,219,800
Human Services	736,335,077	(5,924,911)	679,056,777	--	47,146,187	4,207,202
State	912,026	--	912,026	--	--	--
Transportation	9,600,000	5,458,822	680,213	--	3,722,761	10,655,848
Treasury	209,036,672	--	208,967,183	37,839	31,650	--
TOTAL EXECUTIVE BRANCH	2,080,650,623	11,965,707	1,990,298,179	13,689,171	62,575,703	26,053,277
TOTAL STATE AID	$ 2,080,650,623	$ 11,965,707	$ 1,990,298,179	$ 13,689,171	$ 62,575,703	$ 26,053,277

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES(Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
CAPITAL CONSTRUCTION						
LEGISLATIVE BRANCH	$ --	$ 542,227	$ 262,723	$ --	$ 278,483	$ 1,021
EXECUTIVE BRANCH:						
Agriculture	--	9,353	--	--	9,353	--
Civil Service	--	124	--	124	--	--
Corrections	13,325,000	1,628,624	10,545,147	--	3,347,825	1,060,652
Defense	607,000	158,589	210,198	--	307,163	248,228
Education	1,039,058	612,438	284,525	--	777,988	588,983
Energy	--	68,483	68,063	--	--	420
Environmental Protection	750,000	885,042	986,185	--	257,903	390,954
Health	--	231,525	107,817	--	30,810	92,898
Higher Education	--	2,509,984	564,434	--	521,186	1,424,364
Human Services	--	3,618,125	389,395	--	338,826	2,889,904
Law and Public Safety	--	855,437	214,219	--	105,204	536,014
State	--	10,699	4,255	--	468	5,976
Transportation	16,851,682	28,508,935	8,618,389	--	11,538,771	25,203,457
Treasury	--	14,376,359	118,410	--	808,667	13,449,282
Miscellaneous Executive Commissions	2,000	183,555	--	--	2,000	183,555
TOTAL EXECUTIVE BRANCH	32,574,740	53,657,272	22,111,037	124	18,046,164	46,074,687
TOTAL CAPITAL CONSTRUCTION	$ 32,574,740	$ 54,199,499	$ 22,373,760	$ 124	$ 18,324,647	$ 46,075,708

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES(Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
DEBT SERVICE						
EXECUTIVE BRANCH:						
Community Affairs	$ 3,345,790	$ --	$ 3,345,790	$ --	$ --	$ --
Corrections	12,859,049	(374)	12,858,675	--	--	--
Education	6,538,120	(267)	6,537,853	--	--	--
Energy	2,472,940	351	2,473,291	--	--	--
Environmental Protection	76,427,594	--	76,427,594	--	--	--
Health	95,361	(128)	95,233	--	--	--
Higher Education	40,703,270	--	40,703,270	--	--	--
Human Services	22,554,402	418	22,554,820	--	--	--
Law and Public Safety	527,778	--	527,778	--	--	--
Transportation	73,398,567	--	73,398,566	1	--	--
TOTAL EXECUTIVE BRANCH	238,922,871	--	238,922,870	1	--	--
TOTAL DEBT SERVICE	$ 238,922,871	$ --	$ 238,922,870	$ 1	$ --	$ --

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES(Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
FEDERAL						
EXECUTIVE BRANCH:						
Chief Executive's Office	$ --	$ 55,939	$ 6,828	$ --	$ 5,000	$ 44,111
Agriculture	--	1,198,112	715,816	--	217,010	265,286
Civil Service	--	186,236	110,485	--	1,590	74,161
Commerce and Economic Development	--	117	--	--	--	117
Community Affairs	--	73,506,987	45,325,151	--	25,985,160	2,196,676
Corrections	--	1,858,857	1,706,319	--	63,122	89,416
Defense	--	2,879,923	2,607,182	--	262,167	10,574
Education	--	240,060,793	226,996,798	--	7,784,127	5,279,868
Energy	--	2,286,439	1,691,806	--	441,046	153,587
Environmental Protection	--	21,856,494	17,092,021	--	2,328,647	2,435,826
Health	--	54,363,122	46,061,960	--	6,946,119	1,355,043
Higher Education	--	30,052,645	25,123,128	--	2,058,444	2,871,073
Human Services	--	1,034,794,755	985,395,624	--	22,056,736	27,342,395
Labor	--	138,600,121	123,643,914	1,608	8,236,542	6,718,057
Law and Public Safety	--	13,377,584	10,767,503	1,949	1,369,804	1,238,328
Public Advocate	--	531,244	518,930	--	11,625	689
State	--	526,598	425,951	--	73,153	27,494
Transportation	--	232,682,244	60,855,972	--	76,740,855	95,085,417
Treasury	--	23,234	23,234	--	--	--
TOTAL EXECUTIVE BRANCH	--	1,848,841,444	1,549,068,622	3,557	154,581,147	145,188,118
JUDICIAL BRANCH	--	13,586,688	11,094,207	--	2,487,019	5,462
TOTAL FEDERAL	--	1,862,428,132	1,560,162,829	3,557	157,068,166	145,193,580

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES(Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
ALL OTHER						
EXECUTIVE BRANCH:						
Agriculture	$ --	$ 17,834,389	$ 12,644,733	$ --	$ 1,392,322	$ 3,797,334
Commerce and Economic Development	--	356,514	50,357	--	--	306,157
Community Affairs	--	10,775,864	5,388,960	--	1,188,163	4,198,741
Corrections	--	16,583,563	13,940,014	--	1,015,118	1,628,431
Education	--	7,850,219	4,929,445	--	928,376	1,992,398
Energy	--	3,723,425	2,703,528	--	70,485	949,412
Environmental Protection	--	17,654,631	11,523,018	--	1,208,441	4,923,172
Health	--	5,994,813	3,701,495	--	328,170	1,965,148
Higher Education	--	35,254,825	25,897,425	--	3,124,076	6,233,324
Human Services	--	60,843,265	52,662,665	--	2,292,259	5,888,341
Insurance	--	63,613	14,403	--	600	48,610
Labor	--	35,494,736	20,027,725	--	194,612	15,272,399
Law and Public Safety	--	17,388,314	14,047,486	661	1,306,471	2,033,696
Public Advocate	--	3,003,535	2,958,171	--	34,238	11,126
State	--	868,466	250,518	--	18,881	599,067
Transportation	--	17,522,097	9,856,271	--	1,358,952	6,306,874
Treasury	--	681,676,866	644,527,807	11,302,080	14,378,501	11,468,478
Inter-Departmental Accounts	--	33,101,158	20,729,598	--	--	12,371,560
TOTAL EXECUTIVE BRANCH	--	965,990,293	845,853,619	11,302,741	28,839,665	79,994,268
JUDICIAL BRANCH	--	16,470	351	--	--	16,119
TOTAL ALL OTHER	$ --	$ 966,006,763	$ 845,853,970	$ 11,302,741	$ 28,839,665	$ 80,010,387

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES(Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
GENERAL FUND SUMMARY						
LEGISLATIVE BRANCH	$ 19,760,464	$ 3,398,262	$ 20,534,427	$ 46	$ 751,257	$ 1,872,996
EXECUTIVE BRANCH:						
Chief Executive's Office	2,038,822	936,078	2,546,025	--	322,548	106,327
Agriculture	5,715,109	19,126,596	18,897,232	72,300	1,793,406	4,078,767
Banking	4,414,296	193,490	4,081,921	416,273	109,592	--
Civil Service	12,187,040	893,660	11,937,798	254,176	739,861	148,865
Commerce and Economic Development	8,220,149	705,630	7,236,787	474,292	865,876	348,824
Community Affairs	107,199,355	89,332,775	154,794,705	3,538,135	31,294,962	6,904,328
Corrections	196,052,184	30,852,761	203,864,084	1,281,957	14,074,096	7,684,808
Defense	9,040,879	3,522,292	10,753,663	160,316	1,301,551	347,641
Education	987,537,269	257,567,353	1,202,208,386	10,087,235	15,883,567	16,925,434
Energy	16,313,371	7,545,196	20,874,102	1,701	1,008,797	1,973,967
Environmental Protection	128,547,492	51,352,817	158,795,460	240,049	10,354,007	10,510,793
Health	36,552,568	65,411,329	86,213,309	705,878	10,493,724	4,550,986
Higher Education	596,116,473	92,432,184	659,579,642	2,481,245	11,491,111	14,996,659
Human Services	1,207,693,409	1,112,618,650	2,188,531,102	1,808,421	85,244,131	44,728,405
Insurance	5,922,418	187,393	5,622,483	212,574	221,611	53,143
Labor	31,534,775	182,382,194	180,292,850	1,965,124	9,472,783	22,186,212
Law and Public Safety	154,157,997	53,851,835	192,442,839	403,698	8,321,508	6,841,787
Public Advocate	26,903,903	5,506,532	29,051,881	1,087	123,079	3,234,388
State	13,326,198	1,969,250	13,355,226	18,678	953,372	968,172
Transportation	342,149,315	297,810,977	389,082,577	5,124,693	102,449,906	143,303,116
Treasury	280,490,175	701,371,103	926,362,679	12,013,475	17,912,878	25,572,246
Miscellaneous Executive Commissions	2,760,121	513,168	2,608,179	12,459	237,978	414,673
Inter-Departmental Accounts	462,403,510	1,356,418	418,317,977	4,029,614	4,565,407	36,846,930
TOTAL EXECUTIVE BRANCH	4,637,276,828	2,977,439,681	6,887,450,907	45,303,380	329,235,751	352,726,471
JUDICIAL BRANCH	42,966,346	16,185,211	53,306,254	--	4,925,361	919,942
TOTAL GENERAL FUND SUMMARY	$ 4,700,003,638	$ 2,997,023,154	$ 6,961,291,588	$ 45,303,426	$ 334,912,369	$ 355,519,409

STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES(Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
DIRECT STATE SERVICES						
Treasury	$ 16,390,127	$ --	$ 14,651,231	$ 1,169,636	$ 569,260	$ --
STATE AID						
Education	1,049,297,298	--	1,048,315,027	890,519	91,752	--
Treasury	359,275,000	1,400,000	358,366,435	2,308,565	--	--
	1,408,572,298	1,400,000	1,406,681,462	3,199,084	91,752	--
TOTAL PROPERTY TAX RELIEF FUND	$ 1,424,962,425	$ 1,400,000	$ 1,421,332,693	$ 4,368,720	$ 661,012	$ --

STATE OF NEW JERSEY
GUBERNATORIAL ELECTIONS FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
DIRECT STATE SERVICES						
Law and Public Safety	$ --	$ 29,021	$ 81	$ --	$ --	$ 28,940
TOTAL GUBERNATORIAL ELECTIONS FUND	$ --	$ 29,021	$ 81	$ --	$ --	$ 28,940

STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES(Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
DIRECT STATE SERVICES						
Law and Public Safety	$ 21,134,583	$ --	$ 19,598,211	$ 964,709	$ 571,663	$ --
Treasury	14,339,445	--	13,249,348	754,293	335,804	--
TOTAL CASINO CONTROL FUND	$ 35,474,028	$ --	$ 32,847,559	$ 1,719,002	$ 907,467	$ --

STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	ENCUMBRANCES	CONTINUING APPROPRIATIONS
DIRECT STATE SERVICES						
Human Services	$ 83,793,810	$ --	$ 68,927,917	$ 12,699,916	$ 2,165,977	$ --
STATE AID						
Treasury	45,226,700	--	45,226,700	--	--	--
TOTAL CASINO REVENUE FUND	$ 129,020,510	$ --	$ 114,154,617	$ 12,699,916	$ 2,165,977	$ --

STATISTICAL AND ECONOMIC DATA

The Statistical and Economic Data Section gives report users a better historical perspective of financial information that may assist in assessing current financial status and trends of the State. In addition, certain demographic and economic data have been presented that will allow a broader understanding of the economic and social environment in which state government operates.

STATE OF NEW JERSEY
NEW JERSEY STATE GOVERNMENT WITHIN THE FEDERAL/STATE/LOCAL TAX SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

GENERAL FRAMEWORK

The people of New Jersey receive services from the three levels of government--federal, state, and local. The intergovernmental system is such that the money needed to finance these services may come from one or more of these levels of government. The transfer of this money from one level of government to another comes in the form of intergovernmental revenue.

In New Jersey, as in most states, the cost of these services may vary from one jurisdiction to another. Such factors as the ability of a local government to raise taxes, the level of services requested by the people, the efficiency of the governmental units involved, and the prevailing wages in the area, all influence the final cost of government services. Thus, in order to have a complete picture of the State's financial operation, an understanding of the federal/state/local system is presented.

MONEY FLOW WITHIN THE SYSTEM

The intergovernmental financial system in the United States is becoming increasingly interdependent as states and local units depend more than ever on external intergovernmental sources of revenue. Nationwide, approximately one-fifth of all state revenues come from the federal government, and approximately 37 per cent of local government revenues are secured from state and federal sources. For 1982, the latest year of published comparative statistics, all levels of government raised almost $1,144.8 billion, of which approximately $687.6 billion was raised at the federal level. Almost 11 per cent of the federal revenues was funneled back to state and local governments. In addition, some of the federal money transferred to the state governments is combined with state aid funds so that the amount available to local governments nationwide for spending is in excess of $313 billion.

Similar flows of money take place within the State of New Jersey. Taxes are paid by the residents to federal, state, and local governments. The federal government returns some portion of the dollars to the state and to the local governments by means of grant-in-aid programs. The State of New Jersey, in similar fashion, returns tax dollars to local municipalities, counties, and school districts by means of "State Aid" allocations (55.8 per cent of 1983 state expenditures were disbursed in the form of state aid). Comments pertaining to federal aid and the state and local tax structure in New Jersey follow.

FEDERAL AID

Residents of every state pay federal income taxes, and to that extent are paying on a comparable basis for the services we receive directly from the federal government. However, the amount of federal taxes which are returned to New Jersey state and local governments for their program use is not directly related to the amount of taxes the people of New Jersey have paid to the federal government. Federal aid is returned to state and local governments based upon various factors such as population, age of housing stock, etc. Some funds must be applied for under various competitive grant-in-aid programs.

Based upon data compiled by the Tax Foundation, New Jersey state and local governments received $2.7 billion in grants in 1982, but residents in the State had an estimated tax burden of $3.4 billion. Thus, the tax burden per dollar of aid in New Jersey is approximately $1.26. This can be contrasted, for example, to the state of Vermont, where the tax burden on its residents is $.57 per dollar returned. Therefore, the state and local governments receive almost twice as much in federal grants as the residents pay in federal taxes. During the past several years, New Jersey has raised its ranking in total receipts so that the tax burden per dollar of aid has decreased from $1.30 in 1976 to the present $1.26. For 1982, the latest year of published statistics, the following data is applicable to New Jersey.

(1) New Jersey's total of $2.7 billion is the tenth highest among the states, and represents a decrease of $172.6 million over the previous year.

(2) New Jersey's per capita aid decreased from $392 to $365.

(3) Of the total amount, the General Fund of the State of New Jersey realized $1,770 million in federal revenue in fiscal year 1983, compared to $1,615 million in 1982.

STATE OF NEW JERSEY
NEW JERSEY STATE GOVERNMENT WITHIN THE FEDERAL/STATE/LOCAL TAX SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

STATE TAX STRUCTURE

The State receives substantially all of its General Fund revenues, except for federal aid, from a series of non-property related taxes and excises. Approximately 72 per cent of General Fund revenues in fiscal year 1983 came from six sources; namely, the Sales Tax ($1,660.3 million), Motor Fuels Tax ($282.3 million), Corporation Taxes ($791.0 million), Motor Vehicle Fees ($280.3 million), the Cigarette Tax ($214.5 million), and the Inheritance Tax ($146.2 million). On July 6, 1976, legislation establishing the Gross Income Tax was enacted. The tax is calculated at the rate of 2 per cent on the first $20,000, 2.5 per cent on amounts to $50,000, and 3.5 per cent on amounts in excess of $50,000. The proceeds are dedicated to state aid and property tax relief, and are deposited in a special fund entitled the Property Tax Relief Fund. Income taxes may not be used to support state operations. The Income Tax for fiscal year 1983 yielded $1,391.6 million, and represented 22 per cent of total own-source revenue.

The Division of Taxation administers most of the taxes collected by the State--the exceptions being primarily pari-mutuel racing, motor vehicle licenses and fees, and the Motor Fuels Use Tax. In addition, the Division of Taxation is responsible for assessing and certifying over $651 million of public utility taxes to municipalities and counties. Effective January 1, 1981, the State, in addition to certifying public utility taxes, also collects such taxes and in turn distributes such funds back to the municipalities. Also, the State, through the Division of Taxation, supervises and coordinates local property tax procedures for the twenty-one county boards of taxation and the 567 local taxing districts. The State does not collect the local property tax or use any of its revenue.

LOCAL TAX STRUCTURE

The largest revenue source at the local level is the property tax. Other major revenue sources include state aid assistance, federal aid assistance, and various miscellaneous revenues, such as licenses, fees, and permits. This means that the tax is assessed and collected at the municipal level for the support of local schools, municipal government, and county government. The State receives no portion of these taxes, and, in fact, in 1983 paid out approximately 55.8 per cent of the State's tax revenue to counties, municipalities, and school districts in some form of state aid.

The property tax in New Jersey is a residual tax; that is, it is the tax levied to raise the amount of money required to meet budgeted expenditures not covered by monies available from all other sources. The local property tax is an ad valorem tax, in that each taxpayer shares in the total tax burden of his municipality in direct proportion as the value of his property bears to the total value of all property in his town. Thus, the amount of an individual's property tax bill is determined by the dollars needed to support the local schools, the county and the municipal government, and by the proportionate value that one's property bears to the total value of all property in the municipality. Any increase in the cost of municipal, county, or school district services or any decrease in the amount of state aid or federal aid, without offsetting increases in new ratables, will cause an increase in the amount of property taxes a homeowner must pay.

In tax year 1983, local property tax levies increased by approximately $353.3 million. However, over the seven-year period since the institution of tax reform, the total property tax growth has been held to a 6.7 per cent average per year increase. This compares to an average growth rate of over 13.8 per cent during the prior seven-year period.

STATISTICAL DATA

The following tables include data on the State's general financial operations. These tables are informative, as they outline historical perspectives and trends on New Jersey's financial information. In addition, certain demographic and economic data are presented that will allow a broader understanding of the economic and social environment in which state government operates.

STATE OF NEW JERSEY
TEN-YEAR FINANCIAL SUMMARY
FOR FISCAL YEARS ENDED JUNE 30
($ Millions)

	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974
REVENUES										
Anticipated Revenues										
Sales Tax	$1,660.3	$1,379.9	$1,263.5	$1,179.9	$1,097.7	$1,003.0	$ 905.1	$ 829.5	$ 770.5	$ 735.1
Income Tax	1,391.6	1,259.0	1,106.2	968.8	838.5	748.9	696.1	--	--	--
Corporation Tax	791.0	868.8	775.7	644.8	556.3	515.2	421.7	378.2	279.3	250.7
Motor Fuels Tax	282.3	280.8	278.0	280.9	297.8	295.7	288.8	281.5	273.4	266.8
Motor Vehicle Fees	280.3	265.5	266.3	267.5	250.8	233.5	223.1	195.3	159.3	160.0
Cigarette Tax	214.5	177.4	176.2	170.6	169.9	170.1	168.8	167.7	166.6	168.7
Inheritance Tax	146.2	126.8	123.3	111.0	100.4	96.3	86.6	79.4	82.4	88.0
Lottery	295.0	220.3	176.0	145.9	122.0	96.0	78.2	66.1	36.1	55.2
General Revenue Sharing	--	--	18.8	75.4	74.8	71.3	69.5	67.1	69.6	145.8
Casino Taxes	165.5	129.2	102.6	71.0	26.0	2.5	--	--	--	--
All Other	1,016.3	848.2	776.0	751.5	781.5	687.2	570.0	661.7	554.8	572.9
Total Anticipated Revenues	$6,243.0	$5,555.9	$5,062.6	$4,667.3	$4,315.7	$3,919.7	$3,507.9	$2,726.5	$2,392.0	$2,443.2
Appropriated Revenues										
Federal Programs	$1,769.6	$1,614.8	$1,615.5	$1,588.1	$1,396.2	$1,238.2	$1,240.3	$ 958.6	$1,002.3	$ 832.2
All Other	929.1	857.3	766.6	395.7	201.0	207.3	348.8	291.1	266.7	253.6
Total Appropriated Revenues	$2,698.7	$2,472.1	$2,382.1	$1,983.8	$1,597.2	$1,445.5	$1,589.1	$1,249.7	$1,269.0	$1,085.8
Total All Revenues	$8,941.7	$8,028.0	$7,444.7	$6,651.1	$5,912.9	$5,365.2	$5,097.0	$3,976.2	$3,661.0	$3,529.0
EXPENDITURES (Budgetary Basis)										
Budgeted Expenditures										
State Aid	$3,504.9	$3,308.8	$2,674.2	$2,502.2	$2,385.4	$2,089.3	$1,691.5	$1,235.7	$1,251.3	$1,012.0
Direct State Services	2,491.9	2,200.1	2,328.9	2,055.1	1,834.1	1,661.2	1,528.2	1,349.4	1,303.3	1,149.4
Capital Construction	40.7	60.7	58.9	165.2	192.3	180.0	164.6	76.9	93.4	107.6
Debt Service	238.9	185.6	173.2	164.5	162.0	144.4	122.5	112.2	98.9	90.7
Total Budgeted Expenditures	$6,276.4	$5,755.2	$5,235.2	$4,887.0	$4,573.8	$4,074.9	$3,506.8	$2,774.2	$2,746.9	$2,359.7
Appropriated Expenditures										
Federal Programs	$1,717.2	$1,538.3	$1,661.4	$1,542.5	$1,353.8	$1,198.1	$1,067.9	$ 999.1	$ 900.3	$ 874.5
All Other	874.7	820.0	709.3	308.5	174.3	165.4	314.2	287.0	233.9	194.2
Total Appropriated Expenditures	$2,591.9	$2,458.3	$2,370.7	$1,851.0	$1,528.1	$1,363.5	$1,382.1	$1,286.1	$1,134.2	$1,068.7
Total All Expenditures	$8,868.3	$8,213.5	$7,605.9	$6,738.0	$6,101.9	$5,438.4	$4,888.9	$4,060.3	$3,881.1	$3,428.4
UNDESIGNATED FUND BALANCES										
General Fund	$ 96.2	$ 78.7	$ 188.1	$ 228.7	$ 217.2	$ 164.1	$ 101.1	$ 95.8	$ 77.2	$ 382.4
Property Tax Relief Fund	--	28.6	58.5	28.8	1.0	117.4	134.6	--	--	--
Casino Revenue Fund	47.3	32.0	58.5	28.9	8.9	1.5	--	--	--	--
Casino Control Fund	(3.5)	(5.1)	(.1)	(8.0)	(4.0)	--	4.1	--	--	--
Gubernatorial Elections Fund	(.8)	(2.4)	(4.2)	2.8	1.4	.2	1.1	--	--	--

STATE OF NEW JERSEY
FIFTY LARGEST EMPLOYERS

Rank	Name	New Jersey Employment 1982
1	New Jersey Bell Telephone Co.	29,464
2	The Prudential Insurance Co	19,800
3	American Telephone & Telegraph Co.	17,478 (1)
4	Bell Telephone Laboratories	17,353
5	Supermarkets General Corp.	14,275
6	RCA Corporation	14,200
7	Johnson & Johnson	14,000
8	Public Service Electric & Gas Co.	13,118
9	Western Electric Co.	12,000
10	Sears, Roebuck & Company	11,700
11	Exxon Corp.	8,850
12	Hoffman-LaRoche, Inc.	8,232
13	General Motors Corp.	8,000
14	E. I. duPont de Nemours & Co., Inc.	7,352
15	Westinghouse Electric Corporation	7,266
16	Acme Markets, Inc.	6,100
17	IBM	6,000
18	Mobil Corporation	5,870
19	American Cyanamid	5,722
20	ITT	5,500
21	Marriott Corporation	5,100
22	The Singer Company	5,066
23	Kidde, Inc.	4,997
24	CIBA-GEIGY Corporation	4,837
25	Merck & Co., Inc.	4,521

(1) Includes AT & T Long Lines.
(2) Includes part-time.

Source: New Jersey Business Magazine,
New Jersey Business & Industry Association,
"11th Annual Top 100 Employers in New Jersey, May 1983".
Data reprinted with the permission of the New Jersey Business & Industry Association.

STATE OF NEW JERSEY
FIFTY LARGEST EMPLOYERS(Continued)

Rank	Name	New Jersey Employment 1982
26	Squibb Corp.	4,500
27	First National State Bancorporation	4,300 (2)
28	Shering-Plough Corporation	4,103
29	W. R. Grace & Co.	4,060
30	Great Atlantic and Pacific Tea Company	4,050 (2)
31	R. J. Reynolds Industries	4,000
32	Resorts International Hotel Casino	3,900
33	Ingersoll-Rand Company	3,750
34	Jamesway Corporation	3,750
35	Nabisco Brands, Inc.	3,700
36	The Stop & Shop Companies, Inc.	3,651
37	Midlantic Banks, Inc.	3,643
38	Owens-Illinois, Inc.	3,600
39	Bally's Park Place	3,500
40	The Playboy Hotel and Casino	3,500
41	Harrah's Marina Hotel Casino	3,443
42	Becton, Dickinson and Company	3,400
43	Caesar's Boardwalk Regency	3,400
44	The Bendix Corporation	3,398
45	Fidelity Union Bancorp	3,374
46	Campbell Soup Company	3,251
47	Tropicana Hotel and Casino	3,200
48	Grand Union	3,200
49	Jersey Central Power & Light	3,197
50	Wakefern Food Corporation	3,174

STATE OF NEW JERSEY
FUTURE DEBT SERVICE ON OUTSTANDING BONDS

Fiscal Year	Interest	Principal	Interest and Principal
1984	$ 150,930,346	$ 115,595,000	$ 266,525,346
1985	142,447,070	131,750,000	274,197,070
1986	133,877,055	133,255,000	267,132,055
1987	125,472,655	132,010,000	257,482,655
1988	116,913,240	132,915,000	249,828,240
1989	108,322,505	131,370,000	239,692,505
1990	99,744,280	129,130,000	228,874,280
1991	91,232,155	125,455,000	216,687,155
1992	82,578,900	116,875,000	199,453,900
1993	74,658,470	116,500,000	191,158,470
1994	66,639,135	118,800,000	185,439,135
1995	58,628,528	119,475,000	178,103,528
1996	50,701,506	106,175,000	156,876,506
1997	43,282,978	106,175,000	149,457,978
1998	36,162,043	91,175,000	127,337,043
1999	29,638,999	88,175,000	117,813,999
2000	23,217,806	85,625,000	108,842,806
2001	16,986,612	85,225,000	102,211,612
2002	11,109,518	66,375,000	77,484,518
2003	6,718,749	48,175,000	54,893,749
2004	3,254,031	24,125,000	27,379,031
2005	1,578,125	8,125,000	9,703,125
2006	949,218	8,125,000	9,074,218
2007	507,812	3,125,000	3,632,812
2008	253,906	3,125,000	3,378,906
	$1,475,805,642	$2,226,855,000	$3,702,660,642

Source: New Jersey Department of the Treasury,
Division of Budget and Accounting.

STATE OF NEW JERSEY
RATIO OF GENERAL LONG-TERM DEBT TO ASSESSED VALUE AND DEBT PER CAPITA
(Expressed in thousands except as indicated)

Fiscal Year	Population	Assessed Value (1)	General Long-Term Debt Outstanding	General Long-Term Debt Ratio to Assessed Value	General Long-Term Debt Per Capita
1974	7,335	$66,828,840	$1,265,425	1.89%	$172.52
1975	7,335	72,949,968	1,354,635	1.86	184.68
1976	7,341	78,461,591	1,360,320	1.73	185.30
1977	7,344	83,549,677	1,533,220	1.84	208.77
1978	7,342	89,766,686	1,589,105	1.77	216.44
1979	7,356	97,007,989	1,712,725	1.77	232.83
1980	7,373	103,510,954	1,755,530	1.70	238.10
1981	7,377	111,037,882	1,827,320	1.65	247.71
1982 (Revised)	7,421	120,514,694	2,034,445	1.69	274.15
1983	7,438	134,575,206	2,226,855	1.65	299.39

Sources: U. S. Department of Commerce, Bureau of the Census "Preliminary Intercensal Estimate of the Population of States: 1970-1980" and "Provisional Estimates of the Resident and Civilian Population of States: July 1, 1981 and 1982."

New Jersey Department of the Treasury, Annual Report of the Division of Taxation.

New Jersey Department of the Treasury, Division of Budget and Accounting.

(1) Includes Real and Personal Property.

STATE OF NEW JERSEY
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL AND PER CAPITA INCOME

(Expressed in thousands except as indicated)

Year	Population	Assessed Valuation of Real Property	True Valuation of Real Property	Personal Income (millions)	Per Capita Income
1973	7,335	$58,727,225	$76,394,319	$42,906	$5,849
1974	7,335	65,569,254	86,517,097	46,521	6,342
1975	7,341	71,604,254	88,325,430	49,832	6,788
1976	7,344	76,977,352	96,029,862	54,082	7,364
1977	7,342	81,947,717	101,661,442	58,878	8,019
1978	7,356	88,096,325	107,801,263	65,138	8,855
1979	7,373	95,245,570	116,502,954	72,196	9,792
1980	7,377	101,750,296	131,459,546	80,708	10,941
1981 (Revised)	7,421	109,247,254	149,657,502	90,001	12,156
1982	7,438	118,602,475	168,413,583	96,898	13,027

Sources: Department of the Treasury, _Annual Report of the Division of Taxation._

U. S. Department of Labor, Bureau of Labor Statistics.

U. S. Department of Commerce, Bureau of the Census "Preliminary Intercensal Estimate of the Population of States: 1970-1980" and "Provisional Estimates of the Resident and Civilian Population of States: July 1, 1981 and 1982."

STATE OF NEW JERSEY
POPULATION AND EMPLOYMENT TRENDS
(Expressed in Thousands)

Year	Population	Civilian Labor Force	Resident Employment	Unemployment	New Jersey Unemployment Rate	U. S. Unemployment Rate
1973	7,335	3,177	2,999	179	5.6	4.9
1974	7,335	3,214	3,012	203	6.3	5.6
1975	7,341	3,252	2,918	333	10.2	8.5
1976	7,344	3,306	2,962	345	10.4	7.7
1977	7,342	3,370	3,053	317	9.4	7.1
1978	7,356	3,444	3,197	247	7.2	6.1
1979	7,373	3,556	3,311	246	6.9	5.8
1980	7,377	3,582	3,323	259	7.2	7.1
1981 (Revised)	7,421	3,587	3,325	262	7.3	7.6
1982	7,433	3,624	3,299	325	9.0	9.7

Sources: U. S. Department of Commerce, Bureau of the Census "Preliminary Intercensal Estimate of the Population of States: 1970-1980" and "Provisional Estimates of the Resident and Civilian Population of States: July 1, 1981 and 1982." (Estimates as of July 1 for years indicated).

New Jersey Department of Labor, "New Jersey Economic Indicators," August 5, 1983, Number 229.

STATE OF NEW JERSEY
MANUFACTURING AND NON-MANUFACTURING EMPLOYMENT
(Expressed in Thousands)

	1972	1977	1982	Percentage Change from 1972 - 1982	Percentage of Total Employment 1982
Manufacturing					
Durable Goods					
Electrical Machinery	102.9	87.9	89.1	(13.4%)	2.9%
Non-Electric Machinery	65.8	71.0	66.8	1.5	2.2
Fabricated Metals	63.5	61.1	54.0	(15.0)	1.7
Stone, Clay and Glass	39.9	35.1	26.8	(32.8)	.9
Instruments	35.1	32.0	35.7	1.7	1.2
Other	98.7	82.9	75.1	(23.9)	2.4
Total Durable	405.9	370.0	347.5	(14.4)	11.3
Non-Durable Goods					
Chemicals	119.3	127.2	124.4	4.3%	4.0%
Apparel	68.9	59.7	50.9	(26.1)	1.6
Food	59.8	50.2	47.2	(21.1)	1.5
Rubber and Plastics	37.2	34.2	36.2	(2.7)	1.2
Paper	35.9	33.4	30.0	(16.4)	1.0
Other	96.3	92.6	91.5	(5.0)	3.0
Total Non-Durable	417.4	397.3	380.2	(8.9)	12.3
Total Manufacturing	823.3	767.3	727.7	(11.6)	23.6
Non-Manufacturing					
Trade	577.3	637.3	698.2	20.9%	22.6%
Services	437.9	509.8	661.5	51.1	21.4
Government	405.3	504.0	525.8	29.7	17.0
Transportation, Communication, and Public Utility	181.2	178.2	195.9	8.1	6.4
Finance, Insurance, and Real Estate	124.6	142.9	166.7	33.8	5.4
Contract Construction	121.6	94.5	107.2	(11.8)	3.5
Other	3.2	2.9	2.2	(31.3)	.1
Total Non-Manufacturing	1,851.1	2,069.6	2,357.5	27.4	76.4
Grand Total	2,674.4	2,836.9	3,085.2	15.4%	100.0%

Source: New Jersey Department of Labor "New Jersey Economic Indicators"
August 5, 1983, Number 229.

STATE OF NEW JERSEY
AVERAGE HOURLY GROSS DOLLAR EARNINGS OF PRODUCTION WORKERS
ANNUAL AVERAGES
(Dollars)

	1973	1974	1975	1976	1977	1978		1980	1981	1982
TOTAL MANUFACTURING	$4.26	$4.57	$4.99	$5.33	$5.82	$6.28	$6.71	$7.31	$8.02	$8.60
Durable Goods	4.37	4.66	5.12	5.46	5.96	6.41	6.81	7.49	8.23	8.77
Lumber	3.49	3.66	4.18	4.35	4.53	4.50*	4.95	5.40	6.01	6.49
Furniture	INA	INA	4.28	4.47	4.60	5.08	5.08*	5.74	6.15	6.63
Stone, Clay, and Glass	4.22	4.60	4.98	5.37	5.84	6.34	6.64	7.52	8.35	8.77
Primary Metals	4.52	4.91	5.39	5.71	6.10	6.48	7.06	7.55	8.34	8.99
Fabricated Metals	4.44	4.72	5.26	5.58	6.02	6.49	6.92	7.48	8.32	8.81
Non-Electrical Mach.	4.66	4.98	5.39	5.77	6.38	6.87	7.40	8.10	9.06*	9.82
Electrical Mach.	4.18	4.41	4.92	5.30	5.71	6.01	6.49	6.93	7.77*	8.37
Transportation Equip.	5.30	5.81	6.33	6.89	7.88	8.24	8.83	10.00	11.72	11.84
Misc. Manufacturing	3.23	3.49	3.82	4.03	4.37	4.75	5.07	5.64	6.06	6.51
Non-Durable Goods	4.16	4.48	4.88	5.22	5.71	6.14	6.61	7.18	7.81	8.45
Food	INA	INA	5.17*	5.56	6.00	6.44	7.05	7.72	8.61	9.46
Textiles	INA	INA	INA	4.51*	4.74	5.17*	5.53	6.00	6.59	7.13
Apparel	3.18	3.37	3.70	3.95	4.39	4.40*	4.70	5.04	5.37	5.60
Paper	4.10	4.39	4.70	5.10	5.41	5.90*	6.45	6.88	7.54	8.00
Printing and Publishing	INA	INA	INA	5.62*	5.85	6.58*	6.96	7.61	8.08	8.79
Chemicals	4.85	5.27	5.70	6.18	6.83	7.34	7.91	8.43	9.36	10.15
Petroleum	5.15	5.57	6.62	7.51	7.96	8.58	9.24*	11.01	11.78	13.06
Rubber and Plastics	3.77	4.02	4.11	4.37	4.75	6.03	5.43	5.89	6.42	6.78
Leather	3.10	3.25	3.37	3.58	3.82	4.08	4.40	4.75	4.94	5.12

* Data not comparable with prior years.
Data are adjusted to the 1981 benchmark.
INA - Information not available.

SOURCE: New Jersey Department of Labor, Division of Planning and Research, "Annual Labor Market Review", April 1983.

STATE OF NEW JERSEY
RETAIL SALES, PERSONAL AND PER CAPITA INCOME, AND NEW DWELLING UNITS

Year	Retail Sales ($ Millions)	Personal Income ($ Millions)	Per Capita Income	Value of New Dwelling Units Authorized ($ Thousands)
1973	$17,874	$42,906	$5,849	$1,030,506
1974	18,024	46,521	6,342	588,291
1975	19,636	49,832	6,788	574,101
1976	21,833	54,082	7,364	832,433
1977	24,076	58,878	8,019	998,931
1978	29,003	65,138	8,855	1,262,831
1979	31,997	72,196	9,792	1,274,353
1980	34,274	80,708	10,941	1,010,084
1981	35,976	90,001	12,156	1,022,130
1982	37,584	96,898	13,027	1,003,694

Sources: New Jersey Department of Labor and
U. S. Department of Commerce

CASH RECEIPTS FROM FARM MARKETINGS
($ Millions)

Year	Livestock and Products	Crops	Total
1973	$111.2	$190.8	$302.0
1974	113.3	226.6	339.9
1975	102.9	223.1	326.0
1976	109.6	225.9	335.5
1977	98.2	250.6	348.8
1978	121.7	277.2	398.9
1979	127.7	287.5	415.2
1980	123.4	319.4	442.8
1981	106.2	353.1	459.3
1982	105.4	355.4	460.8

Source: New Jersey and U. S. Departments of Agriculture.

STATE OF NEW JERSEY
PUBLIC SCHOOL ENROLLMENTS

Year	K - 6	7 - 8	9 - 12	Total K - 12	Pre-K	Non-Graded	Special Ed.	Post Graduate	Total Other Grades	Total All Grades
1973	757,873	230,021	444,450	1,432,344	2,686	18,824	26,347	1,404	49,261	1,481,605
1974	742,628	230,778	447,481	1,420,887	3,385	15,660	26,611	413	46,069	1,466,956
1975	719,836	228,921	454,295	1,403,052	3,038	17,991	27,637	1,161	49,827	1,452,879
1976	698,087	227,541	451,757	1,377,385	3,059	11,131	28,794	979	43,963	1,421,348
1977	667,578	221,033	447,500	1,336,111	3,801	9,611	30,638	1,367	45,417	1,381,528
1978	638,676	210,104	442,561	1,291,341	3,726	9,337	32,493	430	45,986	1,337,327
1979	612,361	198,802	428,741	1,239,904	4,941	8,239	34,528	647	48,355	1,288,259
1980	590,535	190,369	413,884	1,194,788	5,537	7,611	37,361	711	51,220	1,246,008
1981	567,662	186,973	397,700	1,152,335	5,638	6,246	39,540	959	52,383	1,204,718
1982	548,280	189,097	380,932	1,118,309	5,243	5,904	42,321	743	54,211	1,172,520

Source: New Jersey Department of Education,
Office of Management Information.
(Enrollments--September 30 of year indicated)

STATE OF NEW JERSEY
SECTOR SUMMARY OF FALL ENROLLMENT
NEW JERSEY COLLEGES AND UNIVERSITIES, 1981 and 1982

Full and Part-Time Sector	Undergraduate 1981	Undergraduate 1982	Post-Baccalaureate 1981	Post-Baccalaureate 1982	Total Enrollments 1981	Total Enrollments 1982
Full-Time Enrollment						
Community Colleges	44,766	45,772	--	--	44,766	45,772
State Colleges	43,009	42,425	799	644	43,808	43,069
Rutgers University	28,073	27,538	4,033	3,989	32,106	31,527
N. J. Inst. of Technology	3,360	3,558	167	269	3,527	3,827
Univ. of Medicine & Dent.	70	100	1,707	1,736	1,777	1,836
Independent Colleges	34,092	32,902	6,197	6,049	40,289	38,951
Total Full-Time	153,370	152,295	12,903	12,687	166,273	164,982
Part-Time Enrollment						
Community Colleges	69,114	72,609	--	--	69,114	72,609
State Colleges	24,055	24,194	11,760	10,848	35,815	35,042
Rutgers University	7,794	7,390	8,556	8,470	16,350	15,860
N. J. Inst. of Technology	2,045	2,114	911	933	2,956	3,047
T. Edison State College	3,613	3,643	--	--	3,613	3,643
Univ. of Medicine & Dent.	--	1	34	46	34	47
Independent Colleges	13,723	13,366	12,834	12,566	26,557	25,932
Total Part-Time	120,344	123,317	34,095	32,863	154,439	156,180
Full and Part-Time						
Community Colleges	113,880	118,381	--	--	113,880	118,381
State Colleges	67,064	66,619	12,559	11,492	79,623	78,111
Rutgers University	35,867	34,928	12,589	12,459	48,456	47,387
N. J. Inst. of Technology	5,405	5,672	1,078	1,202	6,483	6,874
T. Edison State College	3,613	3,643	--	--	3,613	3,643
Univ. of Medicine & Dent.	70	101	1,741	1,782	1,811	1,883
Independent Colleges	47,815	46,263	19,031	18,615	66,846	64,883
Total Full and Part-Time	273,714	275,612	46,998	45,550	320,712	321,162

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities".

STATE OF NEW JERSEY
PUBLIC AND INDEPENDENT COLLEGE ENROLLMENT SUMMARY

FULL-TIME UNDERGRADUATE ENROLLMENT

Year	Community Colleges	State Colleges	Other Public 4-Year(1)	Independent Colleges	Total
1973	32,242	43,987	24,742	35,341	136,312
1974	36,017	47,596	26,618	33,836	144,067
1975	40,932	49,381	28,327	33,660	152,300
1976	41,289	44,420	28,829	34,404	148,942
1977	41,372	44,700	30,696	34,310	151,078
1978	39,885	44,138	31,457	34,263	149,743
1979	43,011	43,508	31,693	35,058	153,270
1980	44,597	43,750	31,144	35,249	154,740
1981	44,766	43,009	31,503	34,092	153,370
1982	45,772	42,425	31,196	32,902	152,295

PART-TIME UNDERGRADUATE ENROLLMENT

Year	Community Colleges	State Colleges	Other Public 4-Year(1)	Independent Colleges	Total
1973	34,924	18,649	9,750	12,980	76,303
1974	40,823	21,306	11,224	12,976	86,329
1975	48,675	22,181	11,361	13,237	95,454
1976	50,591	21,316	11,684	12,945	96,536
1977	53,743	21,447	12,903	13,175	101,268
1978	58,836	23,285	14,353	13,164	109,638
1979	61,246	23,804	13,992	12,836	111,878
1980	66,540	23,668	13,418	13,097	116,723
1981	69,114	24,055	13,452	13,723	120,344
1982	72,609	24,194	13,148	13,366	123,317

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities".

(1) Includes Rutgers University, New Jersey Institute of Technology, the University of Medicine and Dentistry's School of Allied Health Professions, and Thomas A. Edison State College.

STATE OF NEW JERSEY
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES

Fiscal Year	Principal	Interest	Total Debt Service	State Expenditures	Ratio of Debt Service to Total State Expenditures
1974	$ 33,065,000	$ 57,626,100	$ 90,691,100	$ 2,359,758,929	3.84%
1975	35,790,000	63,122,722	98,912,722	2,746,917,111	3.60
1976	44,315,000	67,928,017	112,243,017	2,774,250,122	4.05
1977	52,100,000	70,400,167	122,500,167	3,506,816,633	3.49
1978	64,115,000	80,307,235	144,422,253	4,074,953,540	3.54
1979	76,380,000	[illegible]5,626,426	162,006,426	4,573,809,761	3.54
1980	77,195,000	87,278,221	164,473,221	4,887,021,448	3.37
1981	85,210,000	87,978,743	173,188,743	5,235,128,551	3.31
1982	85,875,000	99,753,106	185,628,106	5,755,234,238	3.23
1983	107,590,000	131,332,870	238,922,870	6,276,348,823	3.81

STATEMENT OF CHANGES IN BONDED DEBT

Fiscal Year	Outstanding	Issued	Retired	Outstanding
1974	$1,148,490,000	$150,000,000	$33,065,000	$1,265,425,000
1975	1,265,425,000	125,000,000	35,790,000	1,354,635,000
1976	1,354,635,000	50,000,000	44,315,000	1,360,320,000
1977	1,360,320,000	225,000,000	52,100,000	1,533,220,000
1978	1,533,220,000	120,000,000	64,115,000	1,589,105,000
1979	1,589,105,000	200,000,000	76,380,000	1,712,725,000
1980	1,712,725,000	120,000,000	77,195,000	1,755,530,000
1981	1,755,530,000	150,000,000	78,210,000	1,827,320,000
1982	1,827,320,000	300,000,000	92,875,000	2,034,445,000
1983	2,034,445,000	300,000,000	107,590,000	2,226,855,000

Source: Department of the Treasury,
Division of Budget and Accounting

STATE OF NEW JERSEY
PUBLIC AUTHORITIES AND AGENCIES
FISCAL YEAR ENDED JUNE 30, 1983

Authorities are public, corporate entities, created by the State under enabling legislation to carry on a specific function outside the regular structure of government. They are legal entities which may incur debt, own property,and have the power to finance their activities by means of user charges.

Historically, public authorities were established to finance, construct, and operate, on a self-sustaining basis, revenue-producing facilities of a public benefit, such as bridges and roads. Later, authorities were used to finance types of construction traditionally financed by the State itself, such as state university and health facilities. More recently, public authorities have served as financing vehicles to undertake services once provided by private enterprise, such as stadiums, housing, and capitalization for business development or expansion.

Generally, public authorities are not defined either in the New Jersey Constitution or in statute. Instead, each authority has been established to perform a specific set of functions and has been given specific, unique powers in the enabling legislation establishing the agency. There are fourteen state authorities or agencies within New Jersey which have the legislative power to issue bonds. In addition, there are five regional or bi-state authorities which provide facilities and/or do planning for New Jersey residents, but which do not operate solely within the boundaries of New Jersey. A short description of the fourteen statewide authorities and the five regional authorities follows.

STATE AUTHORITIES

SOUTH JERSEY PORT CORPORATION

The South Jersey Port Corporation, an entity of the State's Department of Labor, was created in 1970 by the South Port Corporation Act. The Act conferred upon the corporation the powers to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, including Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempt revenue bonds subject to the provisions and restrictions of the Marine Terminal Revenue Bond Resolution adopted November 30, 1970, which dedicates funds to several commission funds.

The Corporation operated two marine terminals in the Camden area--the Broadway Terminal, acquired from the now defunct New York Shipbuilding Corporation, and the Beckett Street Terminal, for which the Corporation utilized a portion of the $16 million of Marine Terminal Revenue Bonds in 1970--for the importing and exporting of goods and materials and cargo handling. Since 1970, gross revenues of the Port have increased from $1.9 million to $7.4 million in 1982. There has been a commensurate increase in Port tonnage with over one million tons being handled in each of the last ten years. This activity has been translated into millions of dollars of economic benefit to the South Jersey area. While net revenues were not sufficient to fully cover debt service in calendar years 1972-77, the State provided the necessary funds by appropriations equal to the certified deficiencies in the Bond Reserve Fund. For the calendar years 1978 to 1981, the Port Corporation covered debt service requirements from operating revenue. In 1982, due in part to the national recession and to a more than doubling of Port debt service requirements, the State provided $1,261,332 to cover a deficiency in the Bond Reserve Fund.

In 1980, the Port issued and sold $14.5 million of Series B Marine Terminal Revenue Bonds. These funds are being utilized to develop a fourth deep water shipping berth at Beckett Street Terminal. In addition, a portion of these bond funds, $1.8 million, together with a $3 million Federal EDA Grant, has been used to acquire a new versatile high capacity multi-purpose crane, capable of handling containers. The Beckett Street development project will be completed by the end of 1983. At Broadway Terminal, the Port planning for development of a major coal export terminal on a 38-acre tract of land was, unfortunately, brought to a halt by the bankruptcy of the developer. Efforts are currently underway to identify an alternate coal terminal developer, even though U.S. coal export tonnage has substantially decreased during the past year. The Port is also investigating the possible development of this site as an import automobile terminal.

NEW JERSEY MORTGAGE FINANCE AGENCY

The New Jersey Mortgage Finance Agency was created by the Legislature in 1970 as an independent public body corporate to increase the availability of mortgage and home improvement lending to residents of the State. The Agency is authorized to issue bonds and notes to create a secondary market for the purchase of residential mortgages and home improvement and energy loans. Most of the Agency's programs are directed toward the one-to-four unit homeownership market.

In October 1982, MFA sold its largest bond issue to date, $239,000,000, to initiate its first statewide mortgage purchase program, The Statewide Mortgage Program (SMP). SMP funds have been used to finance purchases of one-to-four unit existing homes throughout the State by first-time homebuyers, new single family homes in specific new developments throughout the State, and one-to-four unit homes in eligible neighborhoods of 40 urban municipalities through the Neighborhood Loan Program (NLP). The program was developed to aid the housing industry during the critical period created by high interest rates and has enabled approximately 4,500 families to purchase homes.

The Agency launched its Neighborhood Loan Program, the first state mortgage purchase program in the country to be targeted to urban neighborhoods, in 1977. $341,335,000 in bonds have been sold solely to finance lower interest rate, first mortgage loans in urban areas. Designed to encourage homeownership in urban areas by increasing the flow of mortgage lending there on affordable terms, the Neighborhood Loan Program is available in 40 urban municipalities. This program has financed the purchase of almost 8,000 owner-occupied homes thus far, and the urban commitment is now carried on as part of the Statewide Mortgage Program.

A statewide Home Improvement Loan Program (HILP) was initiated by the Agency in March 1978, to provide such loans at a below-market interest rate to homeowners of modest income. Four bond issues have been sold to finance the purchase of these low interest loans from participating lending institutions. Approximately 5,500 households have been upgraded, enlarged, or made more energy efficient using $35,000,000 of these funds. The fourth such bond issue of an additional $7,975,000 for the HILP program was sold in June 1983. The Agency incorporated an energy/solar loan component into its current phase of HILP financing in order to stimulate energy conservation improvements in the State.

In June 1981, MFA initiated a one million dollar demonstration program to finance the rehabilitation of small multifamily buildings. The pilot program operated in conjunction with the Federal Section 8 Moderate Rental Assistance Payment Program. Building owners of 1-12 unit buildings who borrow rehabilitation funds through MFA contracted with their local housing authority to rent the improved units to subsidized tenants. Through this program, MFA has tested the viability of small multifamily lending as well as provided more livable units for low-income families.

The Agency's initial focus of activity from 1971 to 1976 was the operation of its Loan to Lenders Program, the first such program in the country. The program was financed by eight bond issues totaling $456,450,000, resulting in the financing of more than 20,000 housing units throughout the State.

NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY

The New Jersey Health Care Facilities Financing Authority, established in 1972 as a public body corporate and politic of the State, provides low-cost capital financing for the public and private non-profit health care institutions of the State.

As of June 30, 1983, the Authority has issued bonds and notes totaling $1.8 billion, the proceeds of which were utilized for the construction, modernization, and acquisition of new equipment as well as for the refinancing of existing debt of over seventy hospitals and other health care facilities.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

The New Jersey Educational Facilities Authority was established in 1966 to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell tax-exempt notes and bonds. The Authority finances only revenue-producing facilities on public college campuses; it is not so restricted for the independent institutions, and may finance academic buildings as well.

Since its inception, the Authority has provided financing for the construction of 47 projects for 22 colleges and universities in the State of New Jersey. The projects include academic buildings, student centers, dormitories, student apartments, parking facilities, cafeterias, and athletic/recreation centers.

The Authority has issued bond anticipation notes (temporary financing) in the amount of $339,672,000, and bonds in the amount of $240,824,000. As of June 30, 1983, the Authority had obligations outstanding in the amount of $238,766,000.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

The New Jersey Economic Development Authority, created in 1974 as a public body corporate and politic, is authorized to arrange long-term, low-interest financing, and other forms of assistance to private firms and companies for the purpose of maintaining and expanding employment opportunities and enlarging the tax base of state and local governments in the State of New Jersey. To accomplish its objectives, the Authority has developed the following programs:

- Tax-exempt industrial development bond funding, which provides low-interest financing for companies seeking to expand in or relocate to New Jersey. In the fiscal year ending June 30, 1983, the Authority arranged financing for 409 projects, totaling almost $744 million in low-interest financing, and stimulating about $951 million in investment in the State's economy. About 11,000 permanent jobs were estimated to be created or maintained.
- Direct loan and loan guarantees, which are provided to private companies for purposes of fixed asset and working capital expansion. In the fiscal year ended June 30, 1983, the Authority closed 41 direct loans and loan guarantees for a total Authority exposure of $10,221,000, which, excluding guarantees of industrial development bonds, are expected to result in private investments of more than $12 million, and create an estimated 800 jobs.
- Urban Industrial Park Program, in which the Authority acts as purchaser and developer of urban renewal land located in certain urban aid municipalities. The Authority has developed properties in Jersey City, Elizabeth, Trenton and Newark. More than 70% of the available land in these parks already is sold or under contract, representing about $62.4 million in private investment and almost 1,600 permanent jobs. Upon completion of the four industrial parks, it is estimated that they will stimulate $120 million in private investment, with a total of 3,200 permanent jobs.
- Trade Adjustment Assistance Center--The Authority received an additional grant from the U.S. International Trade Administration (ITA) for continued operation of this center. Manufacturing firms which have been adversely affected by imports may qualify for consulting assistance (in marketing, sales, engineering, accounting, etc.), as well as financial assistance in the form of direct loans and guaranteed loans funded by the ITA. During the fiscal year ended June 30, 1983, the Center provided external consulting assistance to 43 firms in New Jersey at a cost of $562,700. Loans were accepted for seven companies, totaling $3,837,000.

NEW JERSEY TURNPIKE AUTHORITY

The New Jersey Turnpike Authority, created as a body corporate and politic by the New Jersey Turnpike Authority Act of 1948, is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Furthermore, the Authority may issue turnpike revenue bonds or notes of the Authority, subject to prior approval by the Governor and of either or both the State Treasurer and the Comptroller of the Treasury, payable solely from tolls and other revenues of the Authority.

A major construction project providing easier access to Newark International Airport and the southern end of the Newark/Elizabeth Seaport was completed with the opening of Interchange 13-A on June 10, 1982. This new facility was completed ahead of schedule and under budget, with costs shared by the Port Authority of New York and New Jersey, the New Jersey Department of Transportation, and the Turnpike Authority.

Recent operations projects such as the Automatic Traffic Surveillance and Control System have made the State's turnpike among the safest of the heavily trafficked roads in the country. The fatality and accident records of the Authority have been the best in New Jersey, and have contributed to the State's record as the safest in the nation.

NEW JERSEY EXPRESSWAY AUTHORITY

The New Jersey Expressway Authority, created in 1962 as a body corporate and politic, is authorized and empowered to acquire, construct, maintain, repair and operate Atlantic City Expressway projects at lawfully established locations and to issue its bonds for such purposes. The existing roadway serves as a link between the Philadelphia metropolitan area and the seashore counties bordering the Atlantic Ocean. The principal source of revenue for the Authority is the money received from Expressway tolls, the rate schedule of which is set by independent traffic consultants, representing the bond holders. The original bond issue for the construction of the Expressway totaled $54,625,000. As of June 30, 1983, the outstanding debt was $21,815,000.

Due to the influx of casinos in Atlantic City, the traffic on the Expressway has increased 171% as of January 1983 over traffic recorded in December, 1977. This far exceeds any increase recorded by any other toll facility in the nation. The second year of Intercept Parking was completed in March of 1983 and is a highly successful revenue producer for this Authority.

NEW JERSEY HIGHWAY AUTHORITY

The New Jersey Highway Authority, created in 1952 as a body corporate and politic, is authorized to acquire, construct, operate, and maintain highway projects (specifically the toll portions of the Garden State Parkway) with the provision that the Governor shall have the right to veto any action, except collective bargaining; and that the approval of the Governor and State Treasurer or Comptroller shall be required prior to adoption of any bond resolution or revision of tolls. The Authority has also been responsible for construction and maintenance of the Garden State Arts Center.

The Highway Authority is the number one toll road in the nation for vehicular use. The State of New Jersey guarantees payment on $28,917,000 of bonds due 1983-88; however, the State believes that revenue from the Authority will be sufficient to provide for payment of debt service without recourse to the State's guarantee.

RUTGERS, THE STATE UNIVERSITY

Rutgers, The State University, entered into an open-end indenture dated May 1, 1967, to provide a means of financing construction of auxiliary enterprise facilities such as student apartments, dormitories, student centers, and parking garages, and to consolidate previously outstanding bond indebtedness. Under the terms of the indenture, all bonds issued are direct and general obligations of the University, and are in no way obligations of the State. All revenues from auxiliary enterprise facilities constructed with the proceeds of the bonds, together with revenues from certain other such facilities, are pledged to secure the indebtedness. The excess of funds, after satisfying certain requirements, is available to the University.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY

The New Jersey Sports and Exposition Authority, established in 1971 as a public body corporate and politic with corporate succession, has been responsible for the financing, construction, and management of the Meadowlands Racetrack and Giants Stadium, both of which opened in 1976, and the Brendan Byrne Arena which opened in July, 1981. The Authority is charged with the responsibility for providing facilities in the Hackensack Meadowlands for athletic and entertainment events, trade shows and other expositions, and is authorized to issue bonds and notes and provides the terms and security thereof.

The Stadium-Racetrack project, parking facilities, and land on which the arena is situated on a 692-acre site. The track accommodates approximately 16,000 patrons nightly for thoroughbred and standardbred racing. The stadium has a capacity of 76,900, and is the home of the Giants of the National Football League, the Cosmos of the North American Soccer League, and the New Jersey Generals of the United States Football League. The arena is the home of the New Jersey Nets of the National Basketball Association and the New Jersey Devils of the National Hockey League, and seats approximately 20,000 spectators. Family shows such as the Circus and Disney on Ice, as well as concerts, are provided annually. In addition, horses sales, trade shows, tennis matches, track meets, and other special events are held in the arena.

On December 14, 1978, the debt of the Sports Authority was refinanced. Under the program, the outstanding debt of the Authority, with an average interest cost of approximately 7 1/2 per cent, was refunded by the proceeds of a new issue of Authority bonds, secured by a state guarantee and by racetrack and stadium revenue. Because of the State's AAA credit rating, the interest rate (5.82 per cent) was substantially lower, and it is estimated that the reduced debt service costs and other first year adjustments will result in a savings of $115 million over the life of the bonds. In addition, under a new lien structure made possible by the refinancing, the debt service costs for the new indoor sports arena will be reduced by $42 million compared with the original financing plan for the arena. By law, all surplus funds of the Authority are paid to the State Treasury. The combined value of this plan, therefore, will provide an additional $157 million to the State over the life of the bonds.

NEW JERSEY HOUSING FINANCE AGENCY

The New Jersey Housing Finance Agency (HFA), created by the Legislature in 1967 as a public body corporate and politic, is empowered to provide mortgage loans to qualified housing sponsors for the purpose of constructing or rehabilitating multifamily housing for low- and moderate-income residents.

In addition to providing financing, the Agency monitors and provides technical support in the planning, construction, and management of all developments in its portfolio. The Agency is able to accomplish this financing through the sale of short-term notes and tax-exempt revenue bonds.

During fiscal year 1983, the Agency successfully marketed three bond issues. The bond proceeds were applied to mortgage loans for the construction of seven housing developments. The first bond issue raised $9.5 million in proceeds to finance the construction of 145 rental units and the second raised $8.9 million in proceeds under Section 11(b) of the United States Housing Act of 1937 to finance the construction of 327 Federal Housing Administration (FHA) insured rental units.

NEW JERSEY HOUSING FINANCE AGENCY (Continued)

The Agency sold $57,050,000 in zero coupon term bonds as part of its third multifamily housing revenue bond offering. Zero coupon bonds, a recent innovation, are term bonds sold at a substantial discount from their face value. Since interest payments are deferred until the bonds mature, other bonds in the issue can be retired earlier, thereby reducing the overall interest expense. The net proceeds of $25,265,500 were used to provide mortgage loans for the construction of 393 rental units.

With the enactment of the Boarding House Life Safety Improvement Act, the Agency was called upon to make loans to boarding homes and residential health care facility owners for the installation of fire safety improvements such as fire alarms and sprinkler systems. At the close of the 1983 fiscal year, three boarding homes had received loans totaling $240,000.

Since its inception, the Agency has placed $1.142 million in mortgages for 163 housing developments, which has raised the State's housing stock by 31,090 units. It has also provided $45.3 million in short-term loans for the construction of 1,452 rental units.

NEW JERSEY BUILDING AUTHORITY

The New Jersey Building Authority, created in 1981 as a body corporate and politic, is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for the construction and rehabilitation projects. The debt service on the bonds will be paid through lease agreements with the State. As of June 30, 1983 the Authority has issued $157,120,000 in bonds.

HACKENSACK MEADOWLANDS DEVELOPMENT COMMISSION

The Hackensack Meadowlands Development Commission is a body corporate and politic established within the Department of Community Affairs under the provisions of the Hackensack Meadowlands Reclamation and Development Act of 1969. Pursuant to the Act, the Commission is authorized and empowered to finance the reclaiming, planning, development, and redevelopment of the Hackensack Meadowlands, which consists of 19,730 acres of waterway, tidal flow lands and small portions of woodlands, marsh and meadows, contained within portions of 14 municipalities and two counties, through the issuance of tax-exempt bonds and notes.

Recent developments within the Hackensack Meadowlands include:

- The HMDC Administrative Office Complex in Lyndhurst;
- The 45,000 square foot complex built on the eastern slope of a now-closed section of the Bergen County Landfill is another commitment by the Commission to the closing of the landfills. The facility includes the Environment Center;
- The development of DeKorte State Park;
- The Sports Complex;
- A Jobs Training/Transportation Planning grant funded by the State Department of Labor;
- The world's largest baling facility is in place at the Commission's North Arlington location.

HACKENSACK MEADOWLANDS DEVELOPMENT COMMISSION (Continued)

Through the cooperation of the Sports Authority, the New Jersey Department of Transportation, New Jersey Transit and the Port Authority, a transportation group has been organized to cope with the current problems and to plan for the future. The Secaucus Transfer Station, a major rail connector, is also one of the major improvement needs, and work progresses on this project. The Harrison-Kingsland Rail Line, which when opened would connect the urban areas of Essex County to the heart of the District, is another important project which is progressing.

NEW JERSEY WATER SUPPLY AUTHORITY

The New Jersey Water Supply Authority, created in 1981 as a public body corporate and politic, is authorized to acquire, finance, construct, and operate water supply systems. The Authority currently operates and maintains the Delaware and Raritan Canal and the Spruce Run/Round Valley Reservoir water supply system.

Pursuant to an agreement with the State Treasurer dated December 6, 1982, the Authority is obligated to repay $6,455,000 in outstanding 1958 Water Development Bond Issues during the period July 1, 1983 through June 30, 1988 and $10,780,000 in outstanding 1969 Water Development Bond Issues during the period July 1, 1988 through June 30, 2002.

The Authority may, upon the request of a municipality, county, the State, or agencies thereof, enter into a contract to provide services for any water system project. All projects undertaken by the Authority shall conform to the recommendations of the New Jersey Statewide Water Supply Plan. Bonds of the Authority may be issued to finance these projects and the debt service on the bonds is payable from the revenues and other funds of the Authority. As of June 30, 1983, the Authority has not issued any bonds.

REGIONAL BOND-ISSUING AUTHORITIES

The five regional or bi-state authorities serving New Jersey are:

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

The Delaware River Joint Toll Bridge Commission is a body corporate and politic, created in 1934 by a compact between the Commonwealth of Pennsylvania and the State of New Jersey with approval of the United States Congress. The Commission is authorized and empowered, in certain cases with the requirement of federal governmental approval, to acquire, construct, administer, operate, and maintain such bridges as the Commission deems necessary to advance the interest of the two states, and to issue bonds and other obligations. The compact provides that Commission indebtedness shall not be deemed to constitute a debt or liability of the two states.

The Commission has authority over six toll-supported bridges, Trenton-Morrisville, New Hope-Lambertville, Easton-Phillipsburg, Portland-Columbia, Delaware Water Gap, and Milford-Montague, from which excess revenues go toward bridge improvements and bond redemptions; plus thirteen state-owned and tax-supported bridges whose revenue for operation and maintenance comes from the states of Pennsylvania and New Jersey.

REGIONAL BOND-ISSUING AUTHORITIES (Continued)

DELAWARE RIVER AND BAY AUTHORITY

The Delaware River and Bay Authority, created in 1962 with the consent of the United States Congress, is a body politic and an agency of the government of the states of Delaware and New Jersey. The Authority is authorized to plan, finance, develop, construct, purchase, lease, maintain, improve, and operate crossings, including bridges, tunnels, and ferries between the State of Delaware and the State of New Jersey across the Delaware River and Bay. To this end, the Authority may issue revenue bonds payable from operations of the Authority's facilities.

The Authority operates twin bridges, the Delaware Memorial Bridge (1951) and a second bridge which opened in 1968 financed by a $103,000,000 revenue bond issued in 1964. In addition, the Authority operates the Cape May-Lewes Ferry.

DELAWARE RIVER PORT AUTHORITY

The Delaware River Port Authority, originally created in the 1920's as a bi-state commission authorized to construct the Benjamin Franklin Bridge between Camden and Philadelphia, is a self-sustaining agency, operating without tax funds and getting most of its revenues from Authority operations. Since changing from a bridge commission to a port authority, the Authority has undertaken construction of three additional bridges--the Walt Whitman Bridge (1957), the Commodore Barry Bridge (1974), and the Betsy Ross Bridge (1976),--and expanded its responsibilities for regional mass transit--the Lindenwood Highspeed Line opened in 1969--and promotion of ports on the Delaware River, collectively known as the Ports of Philadelphia.

DELAWARE RIVER BASIN COMMISSION

The Delaware River Basin Commission was created by compact in 1961 as a body politic and corporate between the states of Delaware, New Jersey and New York, the Commonwealth of Pennsylvania, and the United States of America. The Commission is responsible for developing and effectuating plans, policies, and projects relating to the water resources of the Delaware River Basin. To achieve this end, the Commission may issue bonds payable solely out of the properties and revenues of the Commission without recourse to taxation. However, the Commission has not issued any bonds to date.

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

The Port Authority, a municipal corporate instrumentality of the states of New York and New Jersey, was created by compact between the two states in 1921, with the consent of the Congress of the United States to plan, develop, and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation and world trade that contribute to promoting and protecting commerce of the Port District.

The Port Authority is financially self-sustaining and, as such, it must obtain the funds necessary for construction or acquisition of facilities upon the basis of its own credit, its reserve funds, and its future revenues. The Authority has neither the power to pledge the credit of either state or any municipality, nor to levy taxes or assessments. Since its creation, investors have purchased over $5.1 billion in obligations, of which over $2.1 billion was outstanding on June 30, 1983.

PORT AUTHORITY OF NEW YORK AND NEW JERSEY (Continued)

Authority facilities, all of which have been authorized by the two states, include six interstate bridges and tunnels, the three major metropolitan airports, two heliports, the World Trade Center, the Bathgate Industrial Park, the rapid transit PATH system, buses and ancillary bus facilities for use in the states of New York and New Jersey, as well as marine, passenger ship, motor truck and bus terminals.

Additional Port Authority programs and proposals include the Teleport Project, a worldwide satellite communications system located in Staten Island; the Export Trading Company which would assist eligible regional firms in developing their export trade business; mixed use waterfront projects to create new jobs and new regional activity; and Resource Recovery Projects in New York and New Jersey.

OUTSTANDING DEBT OF NEW JERSEY STATE AUTHORITIES
AS OF JUNE 30, 1983

MORAL OBLIGATION DEBT

The authorizing legislation for two state authorities, the Housing Finance Agency and the South Jersey Port Corporation, provides for specific budgetary procedures with respect to certain obligations. According to the legislation, a designated official is required to certify any deficiency in the debt reserve fund maintained to meet payments of principal and interest on obligations, and an appropriation in the amount of the deficiency is to be made. The Legislature, however, is not legally bound to make such an appropriation. Bonds issued pursuant to authorizing legislation of this type are usually referred to as "moral obligation" bonds.

OTHER STATE AGENCY AND AUTHORITY DEBT

Other state-created entities have statutory authority to incur debt which is not "moral obligation" debt as previously defined, and is incurred without any legislation providing for State appropriations to pay debt service thereon. This debt is supported by revenues derived from assets of the various projects financed by these entities. A portion of this debt is supported by lease payments to the issuing entity.

STATE OF NEW JERSEY
PUBLIC AUTHORITIES AND AGENCIES (Continued)
FISCAL YEAR ENDED JUNE 30, 1983

A summary of the debt of the State Authorities/Agencies, including moral obligation debt as of June 30, 1983, follows:

STATE AUTHORITIES	DEBT OUTSTANDING
New Jersey Turnpike Authority	$ 741,953,000
Rutgers, The State University	69,765,000
New Jersey Expressway Authority	21,815,000
New Jersey Mortgage Finance Agency	724,474,000
New Jersey Highway Authority	155,670,000 (1)
New Jersey Housing Finance Agency	1,257,705,000
South Jersey Port Corporation	29,510,000
New Jersey Economic Development Authority	3,574,787,573 (2)
New Jersey Health Care Facilities Financing Authority	1,661,890,235
New Jersey Educational Facilities	238,766,000
New Jersey Building Authority	157,120,000
New Jersey Sports and Exposition Authority	402,825,000 (3)
Hackensack Meadowlands Development Commission	5,416,842
New Jersey Water Supply Authority	--
TOTAL	$ 9,041,697,650

REGIONAL AUTHORITIES	DEBT OUTSTANDING
Delaware River Port Authority	$ 305,273,675
Delaware River and Bay Authority	77,120,000
Delaware River Basin Commission	23,337,853
Delaware River Joint Toll Bridge Commission	4,675,000
Port Authority of New York and New Jersey	2,158,606,000

(1) Includes $28,917,000 guaranteed by the State.

(2) Cumulative debt of this Authority represents limited obligations which do not obligate the credit of the Authority or of the State.

(3) Includes $283,230,000 of State-guaranteed refunding bonds.